

AMENDED IN ASSEMBLY JUNE 20, 2005

AMENDED IN SENATE MAY 4, 2005

AMENDED IN SENATE APRIL 25, 2005

**SENATE BILL**

**No. 512**

**Introduced by Committee on Education (Senators Scott (Chair),  
Alquist, Denham, Dutton, Lowenthal, Maldonado, Morrow,  
Romero, Simitian, Soto, Speier, and Torlakson)**  
(Coauthor: Assembly Member Huff)

February 18, 2005

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An act to amend *Section 1798.3 of the Civil Code*, to amend *Sections 1628, 1629, Sections 8092, 8212, 8226, 8352, 15146, 38101, 41020, 41327.2, 41344, 41344.1, 41402, 41521, 41530, 41976, 41976.5, 42127, 42132, 42238.23, 42282, 42282.1, 42285, 44225.6, 44252.1, 44664, 45037, 48660.2, 48900.8, 48980, 49423, 49423.1, 51226.1, 52520, 52570, 52571, and 52572, 54749, 56195.7, and 56362.7* of, to add *Sections 42285.4, 44265.6, and 56836.07* to, to repeal *Section 52247* of, and to repeal and add *Section 48213* of, the *Education Code*, and to amend *Section 7572.5 of the Government Code*, to repeal *Chapter 1.2 (commencing with Section 628) of Title 15 of Part 1 of the Penal Code*, and to amend *Item 6110-183-0890 of Section 2.00 of Chapter 208 of the Statutes of 2004*, relating to public schools, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 512, as amended, Committee on Education. Education omnibus.

(1) *Existing law requires, by September 15 of each year, a county superintendent of schools to prepare and file with the Superintendent*

*of Public Instruction a statement of all receipts and expenditures of the county office of education for the preceding fiscal year.*

*This bill would instead require a county superintendent of schools to prepare and file that statement by October 15 of each year.*

*(2) Existing law requires, by September 30 of each year, a county board of education to adopt a resolution to identify the estimated appropriations limit for the county office of education for the current fiscal year and the actual appropriations limit for the county office of education for the preceding fiscal year.*

*This bill would instead require a county board of education to adopt that resolution by October 15 of each year.*

*(3) Existing law authorizes, except as otherwise provided by law, the governing board of a school district or community college district, when in its judgment it is advisable, and requires, upon a petition of the majority of the qualified electors residing in the school district or community college district, that the governing board of a school district or community college district order an election and submit to the electors of the district the question of whether the bonds of the district shall be issued and sold for the specified purposes of raising moneys.*

*Existing law requires that the proceeds of the sale of the bonds, exclusive of any premium received, be deposited in the county treasury to the credit of the building fund of the school district, or the community college district as designated by the California Community Colleges Budget and Accounting Manual. Existing law requires that any premium or accrued interest received from the sale of the bonds be deposited in the interest and sinking fund of the district.*

*This bill would instead require that the proceeds of the sale of bonds issued to refund outstanding bonds be deposited in the interest and sinking fund of the district.*

*(4) Existing law requires the Superintendent of Public Instruction and the Director of Finance to jointly establish a plan for repayment of school funds that a local educational agency received on the basis of average daily attendance that did not comply with statutory or regulatory requirements that were conditions of apportionments, as determined by an audit or review. Existing law establishes the Education Audit Appeals Panel and requires the panel to hear an appeal of a finding of a final audit report resulting from an audit or review. Existing law authorizes the executive officer of the panel to*

*order or propose a reduction of repayment, under specified circumstances.*

*This bill would, in addition, require the Superintendent of Public Instruction and the Director of Finance to jointly establish a plan for repayment of a penalty arising from an audit exception. The bill would also authorize the executive officer of the panel to waive repayment, or payment of a penalty, under specified circumstances.*

*(5) Existing law establishes maximum ratios of administrative employees to teachers, but exempts from those ratios a school district that has only one school and one administrator.*

*This bill would instead exempt from those ratios a school district that has one or fewer administrators.*

*(6) Existing law establishes the professional development block grant, which is composed of funding from, and for, specified existing categorical education programs. Existing law authorizes a school district to expend block grant funds if the school district provides each teacher of kindergarten or any of grades 1 to 6, inclusive, with opportunities to participate in professional development activities, as specified.*

*This bill would delete that condition.*

*(7) Existing law requires the governing board of a school district to adopt an annual budget, and requires the county superintendent of schools who has jurisdiction over that school district to approve, conditionally approve, or disapprove the adopted budget.*

*This bill would require the governing board of a school district whose adopted budget was disapproved, and the county superintendent of schools who has jurisdiction over that school district, to review the disapproval and the recommendations of the county superintendent of schools regarding revision of the budget at a public hearing, as specified. To the extent that this bill would impose additional duties on a school district, the bill would create a state-mandated local program.*

*(8) Existing law requires, by September 30 of each year, the governing board of a school district to adopt a resolution to identify the estimated appropriations limit for the school district for the current fiscal year and the actual appropriations limit for the school district for the preceding fiscal year.*

*This bill would instead require the governing board of a school district to adopt that resolution by September 15 of each year.*

(9) Existing law requires a county superintendent of schools to make a funding computation for a school district with a necessary small school, and requires that that computation be adjusted for excused absences by reducing average daily attendance by the statewide average rate of excused absence reported for high school districts for the 1996-97 fiscal year, as specified.

This bill would instead require that that computation be adjusted for excused absences by reducing average daily attendance by the statewide average rate of excused absence reported for elementary school districts for the 1996-97 fiscal year, as specified.

(10) Existing law requires the Commission on Teacher Credentialing to adopt regulations to provide a grace period for candidates enrolled in specified credential programs to complete the requirements of the program, without being required to meet new requirements. Under existing law, these provisions will be repealed by their own terms on January 1, 2006.

This bill would delete the repeal provision in existing law.

(11) Existing law requires the Commission on Teacher Credentialing to issue a 2-year nonrenewable preliminary specialist instruction credential, and a 2-year services credential with a specialization in pupil personnel services, solely for the purpose of providing specified instruction and services to deaf or hearing-impaired pupils, to a prelingually deaf candidate, upon the satisfaction of specified conditions and requirements, including medical or other appropriate professional verifications.

This bill would, upon the request of a school district, county office of education, or state special school, require the Commission on Teacher Credentialing to determine specific requirements for, and issue, a one-year specialist instruction emergency permit, solely for the purpose of instructing deaf or hearing-impaired pupils, to a prelingually deaf candidate, upon medical or other appropriate professional verifications.

(12) Existing law requires a school district to evaluate and assess the performance of a certificated employee with permanent status who has been employed at least 10 years with the school district, is highly qualified, as defined, and whose previous evaluation rated the employee as meeting or exceeding standards.

This bill would require a school district to evaluate and assess that certificated employee only if he or she occupies a position that is required to be filled by a highly qualified professional.

*(13) Existing law requires the Superintendent of Public Instruction to adopt a curriculum framework, as specified, that offers a blueprint for implementation of career and technical education, no later than June 1, 2006.*

*This bill would postpone the fulfillment of that requirement until April 1, 2007.*

*(14) Existing law establishes the Advanced Placement Challenge Grant Program under which a high school designs and implements a plan that is intended to result in its pupils having access to at least 4 advanced placement courses in core curriculum areas. Existing law also requires the Superintendent of Public Instruction to administer a grant program for advanced placement professional development under which nonrenewable 4-year grants are awarded on a competitive basis to no more than 550 high schools to establish, train, and support teams of teachers or purchase instructional materials and equipment for those courses.*

*This bill would delete those provisions.*

*(15) Existing law authorizes a pupil suspected of needing mental health services to be referred to a community mental health service. Existing law also requires the Superintendent of Public Instruction to make specified computations to determine funding for a special education local plan area.*

*This bill would require the Superintendent to allocate funds appropriated in the annual Budget Act to a special education local plan area, and a proportionate share, as specified, to the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area, for purposes of those referred pupils. The bill would declare that, due to the unique situation of that special education local plan area, a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution, and the enactment of a special statute is therefore necessary.*

~~(2)~~

*(16) Existing law requires, by June 30, 1995, the State Department of Education, in consultation with the Department of Justice and a representative election of school districts and county offices of education to currently compile school crime statistics and to develop a standard school crime reporting form for use by all school districts and county offices of education throughout the state. Existing law requires each principal of a school in a school district and each*

principal or director of a school, program, or camp under the jurisdiction of the county superintendent of schools to report crimes, and requires the superintendent of any school district to submit various reports, as specified. Existing law requires the State Department of Education to publish and distribute to all school districts and county offices of education an annual school crime reporting update that describes typical errors in school crime reporting procedures, describes effective and efficient methods of monitoring and recording school crime data, and identifies trends in school crime drawn from the annual school crime report submitted to the Legislature.

This bill would repeal those provisions.

(3)

(17) This bill would also delete and replace obsolete and incorrect references in existing law, and would clarify various provisions and make various corrections in existing law.

(4)

(18) *The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.*

(19) This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.

State-mandated local program: ~~no~~-yes.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 1798.3 of the Civil Code is amended to  
2     read:

3     1798.3. As used in this chapter:

4     (a) The term “personal information” means any information  
5     that is maintained by an agency that identifies or describes an  
6     individual, including, but not limited to, his or her name, social  
7     security number, physical description, home address, home  
8     telephone number, education, financial matters, and medical or

1 employment history. It includes statements made by, or attributed  
2 to, the individual.

3 (b) The term “agency” means every state office, officer,  
4 department, division, bureau, board, commission, or other state  
5 agency, except that the term agency shall not include:

6 (1) The California Legislature.

7 (2) Any agency established under Article VI of the California  
8 Constitution.

9 (3) The State Compensation Insurance Fund, except as to any  
10 records which contain personal information about the employees  
11 of the State Compensation Insurance Fund.

12 (4) A local agency, as defined in subdivision ~~(b)~~ (a) of Section  
13 6252 of the Government Code.

14 (c) The term “disclose” means to disclose, release, transfer,  
15 disseminate, or otherwise communicate all or any part of any  
16 record orally, in writing, or by electronic or any other means to  
17 any person or entity.

18 (d) The term “individual” means a natural person.

19 (e) The term “maintain” includes maintain, acquire, use, or  
20 disclose.

21 (f) The term “person” means any natural person, corporation,  
22 partnership, limited liability company, firm, or association.

23 (g) The term “record” means any file or grouping of  
24 information about an individual that is maintained by an agency  
25 by reference to an identifying particular such as the individual’s  
26 name, photograph, finger or voice print, or a number or symbol  
27 assigned to the individual.

28 (h) The term “system of records” means one or more records,  
29 which pertain to one or more individuals, which is maintained by  
30 any agency, from which information is retrieved by the name of  
31 an individual or by some identifying number, symbol or other  
32 identifying particular assigned to the individual.

33 (i) The term “governmental entity,” except as used in Section  
34 1798.26, means any branch of the federal government or of the  
35 local government.

36 (j) The term “commercial purpose” means any purpose which  
37 has financial gain as a major objective. It does not include the  
38 gathering or dissemination of newsworthy facts by a publisher or  
39 broadcaster.

(k) The term “regulatory agency” means the Department of Financial Institutions, the Department of Corporations, the Department of Insurance, the Department of Real Estate, and agencies of the United States or of any other state responsible for regulating financial institutions.

*SEC. 2. Section 1628 of the Education Code is amended to read:*

1628. On or before ~~September~~ *October* 15 each year, the county superintendent of schools shall prepare and file with the Superintendent of ~~Public Instruction~~, along with the statements received pursuant to subdivision (b) of Section 42100, a statement of all receipts and expenditures of the county office of education for the preceding fiscal year. The statement shall be in a format or on forms prescribed by the Superintendent of ~~Public Instruction~~, in accordance with regulations adopted by the State Board of Education. These forms may be amended periodically by the Superintendent of ~~Public Instruction~~ to accommodate changes in statute or government reporting standards.

*SEC. 3. Section 1629 of the Education Code is amended to read:*

1629. On or before ~~September 30~~ *October 15* of each year, the county board of education shall adopt a resolution to identify, pursuant to Division 9 (commencing with Section 7900) of Title 1 of the Government Code, the estimated appropriations limit for the county office of education for the current fiscal year and the actual appropriations limit for the county office of education for the preceding fiscal year. That resolution shall be adopted at a regular or special meeting of the board. Notwithstanding Section 7910 of the Government Code, documentation used in the identification of the appropriations limits shall be made available to the public on the date of the meeting at which the resolution is adopted.

**SECTION 1.—**

*SEC. 4. Section 8092 of the Education Code is amended to read:*

8092. (a) A school district or districts, a county superintendent or superintendents, or the governing body of any agency maintaining a regional occupational center or program may contract with a private postsecondary school that is authorized or approved pursuant to Chapter 3 (commencing with



Section 94300) of Part 59 and that has been in operation not less than two full calendar years prior to the effective date of the contract, to provide career technical skill training authorized by this code. A school district, community college district, or county superintendent of schools may contract with an activity center, work activity center, or sheltered workshop to provide career technical skill training authorized by this code in an adult education program for adults with disabilities operated pursuant to subdivision (a) of Section 41976.

(b) A contract between a public entity and a private postsecondary school entered into pursuant to this section, or an activity center, work activity center, or sheltered workshop, shall do all of the following:

(1) Provide that the amount contracted for per student shall not exceed the total direct and indirect costs to provide the same training in the public schools or the tuition the private postsecondary school charges its private students, whichever is lower.

(2) Provide that the public school receiving training in a private postsecondary school, or an activity center, work activity center, or sheltered workshop pursuant to that contract may not be charged additional tuition for any training included in the contract. The attendance of those students pursuant to a contract authorized by this section shall be credited to the public entity for the purposes of apportionments from the State School Fund.

(3) Provide that all programs, courses, and classes of instruction shall meet the standards set forth in the California State Plan for Career Technical Education, or is a course of study for adult schools approved by the department under Section 51056.

(c) The students who attend a private postsecondary school or an activity center, work activity center, or sheltered workshop pursuant to a contract under this section shall be enrollees of the public entity and the career technical instruction provided pursuant to that contract shall be under the exclusive control and management of the governing body of the contracting public entity.

(d) The Department of Finance and the State Department of Education may audit the accounts of both the public entity and

1 the private party involved in these contracts to the extent  
2 necessary to ensure the integrity of the public funds involved.

3 *SEC. 5. Section 8212 of the Education Code is amended to*  
4 *read:*

5 8212. For purposes of this article, child care resource and  
6 referral programs, established to serve a defined geographic area,  
7 shall provide the following services:

8 (a) Identification of the full range of existing child care  
9 services through information provided by all relevant public and  
10 private agencies in the areas of service, and the development of a  
11 resource file of those services which shall be maintained and  
12 updated at least quarterly. These services shall include, but not be  
13 limited to, family day care homes, public and private day care  
14 programs, full-time and part-time programs, and infant,  
15 preschool, and extended care programs.

16 The resource file shall include, but not be limited to, the  
17 following information:

18 (1) Type of program.

19 (2) Hours of service.

20 (3) Ages of children served.

21 (4) Fees and eligibility for services.

22 (5) Significant program information.

23 (b) (1) Establishment of a referral process which responds to  
24 parental need for information and which is provided with full  
25 recognition of the confidentiality rights of parents. Resource and  
26 referral programs shall make referrals to licensed child day care  
27 facilities. Referrals shall be made to unlicensed care facilities  
28 only if there is no requirement that the facility be licensed. The  
29 referral process shall afford parents maximum access to all  
30 referral information. This access shall include, but is not limited  
31 to, telephone referrals to be made available for at least 30 hours  
32 per week as part of a full week of operation. Every effort shall be  
33 made to reach all parents within the defined geographic area,  
34 including, but not limited to, any of the following:

35 (A) Toll-free telephone lines.

36 (B) Office space convenient to parents and providers.

37 (C) Referrals in languages which are spoken in the  
38 community.

1 Each child care resource and referral program shall publicize  
2 its services through all available media sources, agencies, and  
3 other appropriate methods.

4 (2) (A) Provision of information to any person who requests a  
5 child care referral of his or her right to view the licensing  
6 information of a licensed child day care facility required to be  
7 maintained at the facility pursuant to Section 1596.859 of the  
8 Health and Safety Code and to access any public files pertaining  
9 to the facility that are maintained by the State Department of  
10 Social Services Community Care Licensing Division.

11 (B) A written or oral advisement in substantially the following  
12 form will comply with the requirements of subparagraph (A):

13 “State law requires licensed child day care facilities to make  
14 accessible to the public a copy of any licensing report pertaining  
15 to the facility that documents a facility visit or a substantiated  
16 complaint investigation. In addition, a more complete file  
17 regarding a child care licensee may be available at an office of  
18 the State Department of Social Services Community Care  
19 Licensing Division. You have the right to access any public  
20 information in these files.”

21 (c) Maintenance of ongoing documentation of requests for  
22 service tabulated through the internal referral process. The  
23 following documentation of requests for service shall be  
24 maintained by all child care resource and referral programs:

25 (1) Number of calls and contacts to the child care information  
26 and referral program or component.

27 (2) Ages of children served.

28 (3) Time category of child care request for each child.

29 (4) Special time category, such as nights, weekends, and swing  
30 shift.

31 (5) Reason that the child care is needed.

32 This information shall be maintained in a manner that is easily  
33 accessible for dissemination purposes.

34 (d) Provision of technical assistance to existing and potential  
35 providers of all types of child care services. This assistance shall  
36 include, but not be limited to:

37 (1) Information on all aspects of initiating new child care  
38 services including, but not limited to, licensing, zoning, program  
39 and budget development, and assistance in finding this  
40 information from other sources.

1 (2) Information and resources that help existing child care  
2 services providers to maximize their ability to serve the children  
3 and parents of their community.

4 (3) Dissemination of information on current public issues  
5 affecting the local and state delivery of child care services.

6 (4) Facilitation of communication between existing child care  
7 and child-related services providers in the community served.

8 Services prescribed by this section shall be provided in order to  
9 maximize parental choice in the selection of child care to  
10 facilitate the maintenance and development of child care services  
11 and resources.

12 (e) (1) A program operating pursuant to this article *shall*,  
13 within two business days of receiving notice ~~shall~~, remove a  
14 licensed child day care facility with a revocation or a temporary  
15 suspension order, or that is on probation from the program's  
16 referral list.

17 (2) A program operating pursuant to this article *shall*, within  
18 two business days of receiving notice ~~shall~~, notify all entities,  
19 operating a program under Article 3 (commencing with Section  
20 8220) and Article 15.5 (commencing with Section 8350) in the  
21 program's jurisdiction, of a licensed child day care facility with a  
22 revocation or a temporary suspension order, or that is on  
23 probation.

24 ~~(3) Once a program operating pursuant to this article notifies~~  
25 ~~an entity operating a program under Article 3 (commencing with~~  
26 ~~Section 8220) and Article 15.5 (commencing with Section 8350)~~  
27 ~~of a revocation or a temporary suspension order, the entity,~~  
28 ~~within two business days, shall do both of the following~~  
29 ~~concurrently:~~

30 ~~(A) Terminate payment to the licensed child day care facility.~~

31 ~~(B) Notify the parents and the licensed child day care facility~~  
32 ~~in writing that payment has been terminated and the reason for~~  
33 ~~the termination.~~

34 ~~(4) Once a program operating pursuant to this article notifies~~  
35 ~~an entity operating a program under Article 3 (commencing with~~  
36 ~~Section 8220) or Article 15.5 (commencing with Section 8350)~~  
37 ~~of a probation, that entity shall provide written notice to the~~  
38 ~~parents utilizing the provider that the provider has been placed on~~  
39 ~~probation and that the parents have an option to locate alternate~~  
40 ~~child day care arrangements or shall remain with the provider~~

1 ~~without risk of subsidy payments to the provider being~~  
2 ~~terminated. A program operating pursuant to this section is~~  
3 ~~urged, to the extent feasible, to provide the written notice~~  
4 ~~required by this paragraph in the primary language of the parent.~~

5 *SEC. 6. Section 8226 of the Education Code is amended to*  
6 *read:*

7 8226. (a) When making referrals, every program operating  
8 pursuant to this article shall provide information to any person  
9 who requests a child care referral of his or her right to view the  
10 licensing information of a licensed child day care facility  
11 required to be maintained at the facility pursuant to Section  
12 1596.859 of the Health and Safety Code and to access any public  
13 files pertaining to the facility that are maintained by the State  
14 Department of Social Services Community Care Licensing  
15 Division.

16 (b) A written or oral advisement in substantially the following  
17 form will comply with the requirements of subdivision (a):

18 “State law requires licensed child day care facilities to make  
19 accessible to the public a copy of any licensing report pertaining  
20 to the facility that documents a facility visit or a substantiated  
21 complaint investigation. In addition, a more complete file  
22 regarding a child care licensee may be available at an office of  
23 the State Department of Social Services Community Care  
24 Licensing Division. You have the right to access any public  
25 information in these files.”

26 (c) Every program operating pursuant to this article *shall*,  
27 within two days of receiving notice, ~~shall~~ remove from the  
28 program’s referral list the name of any licensed child day care  
29 facility with a revocation or a temporary suspension order or that  
30 is on probation.

31 (d) *A program operating pursuant to this article shall, within*  
32 *two business days of being notified of a revocation or a*  
33 *temporary suspension order for a licensed child day care facility,*  
34 *do both of the following:*

35 (1) *Terminate payment to the facility.*

36 (2) *Notify each parent and the facility in writing that payment*  
37 *has been terminated and the reason for the termination.*

38 (e) *A program operating pursuant to this article shall, upon*  
39 *being notified that a licensed child day care facility has been*  
40 *placed on probation, provide written notice to each parent*

1 *utilizing the facility that the facility has been placed on probation*  
2 *and that the parent has the option of selecting a different child*  
3 *day care provider or remaining with the facility without risk of*  
4 *subsidy payments to the provider being terminated. The*  
5 *Legislature urges each agency operating pursuant to this section*  
6 *to provide the written notice required by this subdivision in the*  
7 *primary language of the parent, to the extent feasible.*

8 *SEC. 7. Section 8352 of the Education Code is amended to*  
9 *read:*

10 8352. (a) As soon as appropriate, a county welfare  
11 department shall refer families needing child care services to the  
12 local child care resource and referral program funded pursuant to  
13 Article 2 (commencing with Section 8210). Resource and referral  
14 program staff shall colocate with a county welfare department's  
15 case management offices for aid under Chapter 2 (commencing  
16 with Section 11200) of Part 3 of Division 9 of the Welfare and  
17 Institutions Code, or any successor program, or arrange other  
18 means of swift communication with parents and case managers  
19 of this aid. The local child care resource and referral program  
20 shall assist families to establish stable child care arrangements as  
21 soon as possible. These child care arrangements may include  
22 licensed and license-exempt care.

23 (b) *A program operating pursuant to this article shall, within*  
24 *two business days of being notified of a revocation or a*  
25 *temporary suspension order for a licensed child day care facility,*  
26 *do both of the following:*

27 (1) *Terminate payment to the facility.*

28 (2) *Notify each parent and the facility in writing that payment*  
29 *has been terminated and the reason for the termination.*

30 (c) *A program operating pursuant to this article shall, upon*  
31 *being notified that a licensed child care facility has been placed*  
32 *on probation, provide written notice to each parent utilizing the*  
33 *facility that the facility has been placed on probation and that the*  
34 *parent has the option of selecting a different child day care*  
35 *provider or remaining with the facility without risk of subsidy*  
36 *payments to the provider being terminated. The Legislature urges*  
37 *each agency operating pursuant to this section to provide the*  
38 *written notice required by this subdivision in the primary*  
39 *language of the parent, to the extent feasible.*

1     *SEC. 8. Section 15146 of the Education Code is amended to*  
2     *read:*

3     15146. (a) The bonds shall be issued and sold pursuant to  
4     Section 15140, payable out of the interest and sinking fund of the  
5     district. The governing board may sell the bonds at a negotiated  
6     sale or by competitive bidding. The bonds may be sold at a  
7     discount not to exceed 5 percent and at an interest rate not to  
8     exceed the maximum rate permitted by law. If the sale is by  
9     competitive bid, the governing board shall comply with Sections  
10    15147 and 15148. The bonds shall be sold by the governing  
11    board no later than the date designated by the governing board as  
12    the final date for the sale of the bonds.

13    (b) The proceeds of the sale of the bonds, exclusive of any  
14    premium received, shall be deposited in the county treasury to  
15    the credit of the building fund of the school district, or  
16    community college district as designated by the California  
17    Community Colleges Budget and Accounting Manual. The  
18    proceeds deposited shall be drawn out as other school moneys  
19    are drawn out. The bond proceeds withdrawn shall not be applied  
20    to any other purposes than those for which the bonds were  
21    issued. Any premium or accrued interest received from the sale  
22    of the bonds shall be deposited in the interest and sinking fund of  
23    the district.

24    (c) The governing board may cause to be deposited proceeds  
25    of sale of any series of the bonds in an amount not exceeding 2  
26    percent of the principal amount of the bonds in a costs of  
27    issuance account, which may be created in the county treasury or  
28    held by a fiscal agent appointed by the district for this purpose,  
29    separate from the building fund and the interest and sinking fund  
30    of the district. The proceeds deposited shall be drawn out on the  
31    order of the governing board or an officer of the district duly  
32    authorized by the governing board to make the order, only to pay  
33    authorized costs of issuance of the bonds. Upon the order of the  
34    governing board or duly authorized officer, the remaining  
35    balance shall be transferred to the county treasury to the credit of  
36    the building fund of the school district or community college  
37    district. The deposit of bond proceeds pursuant to this  
38    subdivision shall be a proper charge against the building fund of  
39    the district.

(d) The governing board may cause to be deposited proceeds of sale of any series of the bonds in the interest and sinking fund of the district in the amount of the annual reserve permitted by Section 15250 or in any lesser amount, as the governing board shall determine from time to time. The deposit of bond proceeds pursuant to this subdivision shall be a proper charge against the building fund of the district.

(e) The governing board may cause to be deposited proceeds of sale of any series of the bonds in the interest and sinking fund of the district in the amount not exceeding the interest scheduled to become due on that series of bonds for a period of two years from the date of issuance of that series of bonds. The deposit of bonds proceeds pursuant to this subdivision shall be a proper charge against the building fund of the district.

*(f) Notwithstanding subdivision (b), the proceeds of the sale of bonds issued to refund outstanding bonds pursuant to subdivision (g) of Section 15100, or Article 9 (commencing with Section 53550) of Chapter 3 of Part 1 of Division 2 of the Government Code, shall be deposited in the interest and sinking fund of the district.*

*SEC. 9. Section 38101 of the Education Code is amended to read:*

38101. (a) The governing board of ~~any~~ a school district may authorize expenditures from the cafeteria fund or cafeteria account only for those charges from that fund or account that are defined in the California School Accounting Manual ~~or are reported to the State Department of Education on form J-380, as revised April 1990.~~

(b) A food service program shall not be charged more than once for expenditures for the same service. If a food service program is being charged for a service as a direct cost, the school district shall not also allocate that cost as a direct support cost or indirect cost.

(c) For purposes of this section, an “indirect cost” shall be limited to the lesser of the school district’s prior year indirect cost rate as approved by the ~~State Department of Education~~ department or the statewide average approved indirect cost for the second prior fiscal year.

~~(d) Any charges~~ Charges to, or transfers from, a food service program shall indicate when the charge or transfer was made and



1 shall be accompanied by a written explanation of the purpose of,  
2 and basis for, the expenditure.

3 ~~(e) Nothing in this section authorizes~~ *This section does not*  
4 *authorize* a school district to charge a food service program any  
5 charges prohibited by state or federal law or regulation.

6 ~~(f) If the State Department of Education~~ *department* and the  
7 Department of Finance concur that a school district has violated  
8 this section, the Superintendent ~~of Public Instruction~~ shall direct  
9 that school district to transfer double the amount improperly  
10 transferred to the ~~district's~~ *general fund of the school district*  
11 from that fund to the ~~district's~~ *cafeteria fund of the school district*  
12 or cafeteria account for the subsequent fiscal year which is then  
13 to be used for the improvement of the ~~district's~~ *food service*  
14 *program of the school district*. If the school district fails to make  
15 that transfer as directed, the ~~superintendent~~ *Superintendent* shall  
16 reduce the ~~school district's~~ *regular apportionment of the school*  
17 *district* determined pursuant to Section 42238 and increase the  
18 ~~district's~~ *child nutrition allowance of the school district*  
19 determined pursuant to Section 41350 by double the amount  
20 improperly transferred to the ~~district's~~ *general fund of the school*  
21 *district* and that amount is then to be used for improvement of the  
22 food service program.

23 (g) It is the intent of the Legislature in enacting this section  
24 that responsible school district officials be held fully accountable  
25 for the accounting and reporting of food service programs and  
26 that minor and inadvertent instances of noncompliance be  
27 resolved in a fair and equitable manner to the satisfaction of the  
28 ~~Superintendent of Public Instruction~~ and the Department of  
29 Finance.

30 (h) The ~~Superintendent of Public Instruction~~, with the  
31 approval of the Department of Finance, may waive up to the full  
32 transfer amount in subdivision (f) if he or she determines that the  
33 noncompliance involved is minor or inadvertent, or both.

34 *SEC. 10. Section 41020 of the Education Code is amended to*  
35 *read:*

36 41020. (a) It is the intent of the Legislature to encourage  
37 sound fiscal management practices among ~~school districts~~ *local*  
38 *educational agencies* for the most efficient and effective use of  
39 public funds for the education of children in California by

1 strengthening fiscal accountability at the district, county, and  
2 state levels.

3 (b) (1) Not later than the first day of May of each fiscal year,  
4 each county superintendent of schools shall provide for an audit  
5 of all funds under his or her jurisdiction and control and the  
6 governing board of each local educational agency shall either  
7 provide for an audit of the books and accounts of the local  
8 educational agency, including an audit of income and  
9 expenditures by source of funds, or make arrangements with the  
10 county superintendent of schools having jurisdiction over the  
11 local educational agency to provide for that auditing.

12 (2) A contract to perform the audit of a local educational  
13 agency that has a disapproved budget or has received a negative  
14 certification on any budget or interim financial report during the  
15 current fiscal year or either of the two preceding fiscal years, or  
16 for which the county superintendent of schools has otherwise  
17 determined that a lack of going concern exists, is not valid unless  
18 approved by the responsible county superintendent of schools  
19 and the governing board.

20 (3) If the governing board of a local educational agency has  
21 not provided for an audit of the books and accounts of the local  
22 educational agency by April 1, the county superintendent of  
23 schools having jurisdiction over the local educational agency  
24 shall provide for the audit of each local educational agency.

25 (4) An audit conducted pursuant to this section shall fully  
26 comply with the Government Auditing Standards issued by the  
27 Comptroller General of the United States.

28 (5) For purposes of this section, “local educational agency”  
29 does not include community colleges.

30 (c) Each audit conducted in accordance with this section shall  
31 include all funds of the local educational agency, including the  
32 student body and cafeteria funds and accounts and any other  
33 funds under the control or jurisdiction of the local educational  
34 agency. Each audit shall also include an audit of pupil attendance  
35 procedures.

36 (d) All audit reports for each fiscal year shall be developed  
37 and reported using a format established by the Controller after  
38 consultation with the Superintendent of ~~Public Instruction~~ and  
39 the Director of Finance.

1 (e) (1) The cost of the audits provided for by the county  
2 superintendent of schools shall be paid from the county school  
3 service fund and the county superintendent of schools shall  
4 transfer the pro rata share of the cost chargeable to each district  
5 from district funds.

6 (2) The cost of the audit provided for by a governing board  
7 shall be paid from local educational agency funds. The audit of  
8 the funds under the jurisdiction and control of the county  
9 superintendent of schools shall be paid from the county school  
10 service fund.

11 (f) (1) The audits shall be made by a certified public  
12 accountant or a public accountant, licensed by the California  
13 Board of Accountancy, and selected by the local educational  
14 agency, as applicable, from a directory of certified public  
15 accountants and public accountants deemed by the Controller as  
16 qualified to conduct audits of local educational agencies, which  
17 shall be published by the Controller not later than December 31  
18 of each year.

19 (2) Commencing with the 2003–04 fiscal year and except as  
20 provided in subdivision (d) of Section 41320.1, it is unlawful for  
21 a public accounting firm to provide audit services to a local  
22 educational agency if the lead audit partner, or coordinating audit  
23 partner, having primary responsibility for the audit, or the audit  
24 partner responsible for reviewing the audit, has performed audit  
25 services for that local educational agency in each of the six  
26 previous fiscal years. The Education Audits Appeal Panel may  
27 waive this requirement if the panel finds that no otherwise  
28 eligible auditor is available to perform the audit.

29 (3) It is the intent of the Legislature that, notwithstanding  
30 paragraph (2) of this subdivision, the rotation within public  
31 accounting firms conform to provisions of the federal  
32 Sarbanes-Oxley Act of 2002 (P.L. 107-204; 15 U.S.C. Sec. 7201  
33 et seq.), and upon release of the report required by the act of the  
34 Comptroller General of the United States addressing the  
35 mandatory rotation of registered public accounting firms, the  
36 Legislature intends to reconsider the provisions of paragraph (2).  
37 In determining which certified public accountants and public  
38 accountants shall be included in the directory, the Controller  
39 shall use the following criteria:

1 (A) The certified public accountants or public accountants  
2 shall be in good standing as certified by the Board of  
3 Accountancy.

4 (B) The certified public accountants or public accountants, as  
5 a result of a quality control review conducted by the Controller  
6 pursuant to Section 14504.2, shall not have been found to have  
7 conducted an audit in a manner constituting noncompliance with  
8 subdivision (a) of Section 14503.

9 (g) (1) The auditor's report shall include each of the  
10 following:

11 (A) A statement that the audit was conducted pursuant to  
12 standards and procedures developed in accordance with Chapter  
13 3 (commencing with Section 14500) of Part 9 of Division 1 of  
14 Title 1.

15 (B) A summary of audit exceptions and management  
16 improvement recommendations.

17 (C) Each local education agency's audit shall include an  
18 auditor's evaluation on whether there is substantial doubt about  
19 the local agency's ability to continue as a going concern for a  
20 reasonable period of time. This evaluation shall be based on the  
21 Statement of Auditing Standards (SAS) No. 59, as issued by the  
22 AICPA regarding disclosure requirements relating the entity's  
23 ability to continue as a going concern.

24 (2) To the extent possible, a description of correction or plan  
25 of correction shall be incorporated in the audit report, describing  
26 the specific actions that are planned to be taken, or that have been  
27 taken, to correct the problem identified by the auditor. The  
28 descriptions of specific actions to be taken or that have been  
29 taken shall not solely consist of general comments such as "will  
30 implement," "accepted the recommendation," or "will discuss at  
31 a later date."

32 (h) Not later than December 15, a report of each local  
33 educational agency audit for the preceding fiscal year shall be  
34 filed with the county superintendent of schools of the county in  
35 which the local educational agency is located, the ~~State~~  
36 ~~Department of Education~~ *department*, and the Controller. The  
37 ~~Superintendent of Public Instruction~~ shall make any adjustments  
38 necessary in future apportionments of all state funds, to correct  
39 any audit exceptions revealed by those audit reports.

(i) (1) Commencing with the 2002–03 audit of local educational agencies pursuant to this section, each county superintendent of schools shall be responsible for reviewing the audit exceptions contained in an audit of a local educational agency under his or her jurisdiction related to attendance, inventory of equipment, internal control, and any miscellaneous items, and determining whether the exceptions have been either corrected or an acceptable plan of correction has been developed.

(2) Commencing with the 2004–05 audit of local educational agencies pursuant to this section, each county superintendent of schools shall include in the review of audit exceptions performed pursuant to this subdivision those audit exceptions related to ~~use of instructional materials program funds, teacher misassignments pursuant to Section 44258.9, information reported on the school accountability report card required pursuant to Section 33126 that information described by subdivision (b) of Section 14501,~~ and shall determine whether the exceptions are either corrected or an acceptable plan of correction has been developed.

(j) Upon submission of the final audit report to the governing board of each local educational agency and subsequent receipt of the audit by the county superintendent of schools having jurisdiction over the local educational agency, the county office of education shall do all of the following:

(1) Review audit exceptions related to attendance, inventory of equipment, internal control, and other miscellaneous exceptions. Attendance exceptions or issues shall include, but not be limited to, those related to revenue limits, adult education, and independent study.

(2) If a description of the correction or plan of correction has not been provided as part of the audit required by this section, then the county superintendent of schools shall notify the local educational agency and request the governing board of the local educational agency to provide to the county superintendent of schools a description of the corrections or plan of correction by March 15.

(3) Review the description of correction or plan of correction and determine its adequacy. If the description of the correction or plan of correction is not adequate, the county superintendent of schools shall require the local educational agency to resubmit that portion of its response that is inadequate.

(k) Each county superintendent of schools shall certify to the Superintendent of ~~Public Instruction~~ and the Controller, not later than May 15, that his or her staff has reviewed all audits of local educational agencies under his or her jurisdiction for the prior fiscal year, that all exceptions that the county superintendent was required to review were reviewed, and that all of those exceptions, except as otherwise noted in the certification, have been corrected by the local educational agency or that an acceptable plan of correction has been submitted to the county superintendent of schools. In addition, the county superintendent shall identify, by local educational agency, any attendance-related audit exception or exceptions involving state funds, and require the local educational agency to which the audit exceptions were directed to submit appropriate reporting forms for processing by the Superintendent of ~~Public Instruction~~.

(l) In the audit of a local educational agency for a subsequent year, the auditor shall review the correction or plan or plans of correction submitted by the local educational agency to determine if the exceptions have been resolved. If not, the auditor shall immediately notify the appropriate county office of education and the ~~State Department of Education~~ *department* and restate the exception in the audit report. After receiving that notification, the ~~State Department of Education~~ *department* shall either consult with the local educational agency to resolve the exception or require the county superintendent of schools to follow up with the local educational agency.

(m) (1) The Superintendent of ~~Public Instruction~~ shall be responsible for ensuring that local educational agencies have either corrected or developed plans of correction for any one or more of the following:

(A) All federal and state compliance audit exceptions identified in the audit.

(B) Any exceptions that the county superintendent certifies as of May 15 have not been corrected.

(C) Any repeat audit exceptions that are not assigned to a county superintendent to correct.

(2) In addition, the Superintendent of ~~Public Instruction~~ shall be responsible for ensuring that county superintendents of schools and each county board of education that serves as the governing board of a local educational agency either correct all

1 audit exceptions identified in the audits of county  
2 superintendents of schools and of the local educational agencies  
3 for which the county boards of education serve as the governing  
4 boards or develop acceptable plans of correction for those  
5 exceptions.

6 (3) The Superintendent of ~~Public Instruction~~ shall report  
7 annually to the Controller on his or her actions to ensure that  
8 school districts, county superintendents of schools, and each  
9 county board of education that serves as the governing board of a  
10 school district have either corrected or developed plans of  
11 correction for any of the exceptions noted pursuant to paragraph  
12 (1).

13 (n) To facilitate correction of the exceptions identified by the  
14 audits issued pursuant to this section, commencing with 2002–03  
15 audits pursuant to this section, the Controller shall require  
16 auditors to categorize audit exceptions in each audit report in a  
17 manner that will make it clear to both the county superintendent  
18 of schools and the Superintendent of ~~Public Instruction~~ which  
19 exceptions they are responsible for ensuring the correction of by  
20 a local educational agency. In addition, the Controller annually  
21 shall select a sampling of county superintendents of schools and  
22 perform a followup of the audit resolution process of those  
23 county superintendents of schools and report the results of that  
24 followup to the Superintendent of ~~Public Instruction~~ and the  
25 county superintendents of schools that were reviewed.

26 (o) County superintendents of schools shall adjust subsequent  
27 local property tax requirements to correct audit exceptions  
28 relating to local educational agency tax rates and tax revenues.

29 (p) If a governing board or county superintendent of schools  
30 fails or is unable to make satisfactory arrangements for the audit  
31 pursuant to this section, the Controller shall make arrangements  
32 for the audit and the cost of the audit shall be paid from local  
33 educational agency funds or the county school service fund, as  
34 the case may be.

35 (q) Audits of regional occupational centers and programs are  
36 subject to the provisions of this section.

37 (r) This section does not authorize examination of, or reports  
38 on, the curriculum used or provided for in any local educational  
39 agency.

(s) Notwithstanding any other provision of law, a nonauditing, management, or other consulting service to be provided to a local educational agency by a certified public accounting firm while the certified public accounting firm is performing an audit of the agency pursuant to this section must be in accord with Government Accounting Standards, Amendment No. 3, as published by the United States General Accounting Office.

*SEC. 11. Section 41327.2 of the Education Code is amended to read:*

41327.2. (a) The appointment of an administrator pursuant to Section 41326 does not remove any statutory rights, duties, or obligations from the county superintendent of schools. The county superintendent of schools retains the responsibility to superintend school districts under his or her jurisdiction.

(b) The county superintendent of schools shall submit reports to the Superintendent, the appropriate fiscal and policy committees of the Legislature, the Director of Finance, and the Secretary for Education subsequent to review by the county superintendent of schools of the district's budget and interim reports in accordance with subdivisions (d) and (g) of, and paragraph (3) of subdivision (i) of, Section 42127, and paragraph (2) of subdivision (a) of, and subdivision (e) of, Section ~~42124~~ 42131. These reports shall document the fiscal and administrative status of the qualifying district, particularly in regard to the implementation of fiscal and management recovery plans. Each report shall also include a determination of whether the revenue streams to the district appear to be consistent with its expenditure plan, according to the most recent data available at the time of the report. These reports are required until six months after all rights, duties, and powers are returned to the school district pursuant to this article.

*SEC. 12. Section 41344 of the Education Code is amended to read:*

41344. (a) If, as the result of an audit or review, a local educational agency is required to repay an apportionment significant audit exception *or to pay a penalty arising from an audit exception*, the Superintendent of Public Instruction and the Director of Finance, or their designees, shall jointly establish a plan for repayment of state school funds that the local educational agency received on the basis of average daily



attendance, or other data, that did not comply with statutory or regulatory requirements that were conditions of the apportionments, *or for payment of a penalty arising from an audit exception*. A local educational agency shall request a ~~repayment~~ plan within 90 days of receiving the final audit report or review, within 30 days of withdrawing or receiving a final determination regarding an appeal pursuant to subdivision (d), or, in the absence of an appeal pursuant to subdivision (d), within 30 days of withdrawing or receiving a determination of a summary review pursuant to subdivision (d) of Section 41344.1. At the time the local educational agency is notified, the Controller shall also be notified of the ~~repayment~~ plan. The ~~repayment~~ plan shall be established in accordance with the following:

(1) The Controller shall withhold the disallowed *or penalty* amount at the next principal apportionment or pursuant to paragraph (2), unless subdivision (d) of this section or subdivision (d) of Section 41344.1 applies, in which case the disallowed *or penalty* amount shall be withheld, at the next principal apportionment or pursuant to paragraph (2) following the determination regarding the appeal or summary appeal. In calculating ~~the~~ a disallowed amount, the Controller shall determine the total amount of overpayment received by the local educational agency on the basis of average daily attendance, or other data, reported by the local educational agency that did not comply with one or more statutory or regulatory requirements that are conditions of apportionment.

(2) If the Superintendent of ~~Public Instruction~~ and the Director of the Department of Finance concur that repayment of the full liability *or payment of the penalty* in the current fiscal year would constitute a severe financial hardship for the local agency, they may approve a ~~repayment~~ plan of equal annual payments over a period of up to eight years. The ~~repayment~~ plan shall include interest on each year's outstanding balance at the rate earned on the state's Pooled Money Investment Account during that year. The Superintendent of ~~Public Instruction~~ and the Director of the Department of Finance shall jointly establish this ~~repayment~~ plan. The Controller shall withhold amounts pursuant to the ~~repayment~~ plan.

(3) If the Superintendent of ~~Public Instruction~~ and the Director of the Department of Finance do not jointly establish a

1 repayment plan, the State Controller shall withhold the entire  
2 disallowed amount determined pursuant to paragraph (1), *or the*  
3 *penalty amount*, at the next principal apportionment.

4 (b) (1) For purposes of computing average daily attendance  
5 pursuant to Section 42238.5, a local educational agency's prior  
6 fiscal year average daily attendance shall be reduced by an  
7 amount equal to any average daily attendance disallowed in the  
8 current year, by an audit or review, as defined in subdivision (e).

9 (2) Commencing with the 1999–2000 fiscal year, this  
10 subdivision may not result in a local educational agency repaying  
11 more than the value of the average daily attendance disallowed in  
12 the audit exception plus interest and other penalties or reductions  
13 in apportionments as provided by existing law.

14 (c) Notwithstanding any other provision of law, this section  
15 may not be waived under any authority set forth in this code  
16 except as provided in this section or Section 41344.1.

17 (d) Within 60 days of the date on which a local educational  
18 agency receives a final audit report resulting from an audit or  
19 review *of all or any part of the operations of the local*  
20 *educational agency*, or within 30 days of receiving a  
21 determination of a summary review pursuant to subdivision (d)  
22 of Section 41344.1, a local educational agency may appeal a  
23 finding contained in the final report, pursuant to Section 41344.1.  
24 Within 90 days of the date on which the appeal is received by the  
25 panel, a hearing shall be held at which the local educational  
26 agency may present evidence or arguments if the local  
27 educational agency believes that the final report contains any  
28 finding that was based on errors of fact or interpretation of law,  
29 *or if the local educational agency believes in good faith that it*  
30 *was in substantial compliance with all legal requirements*. A  
31 repayment schedule may not commence until the panel reaches a  
32 determination regarding the appeal. If the panel determines that  
33 the local educational agency is correct in its assertion, in whole  
34 or in part, the allowable portion of any apportionment payment  
35 that was withheld shall be paid at the next principal  
36 apportionment.

37 (e) As used in this section, "audit or review" means an audit  
38 conducted by the Controller's office, an annual audit conducted  
39 by a certified public accountant or a public accounting firm  
40 pursuant to Section 41020, and an audit or review conducted by a

1 governmental agency that provided the local educational agency  
2 with an opportunity to provide a written response.

3 *SEC. 13. Section 41344.1 of the Education Code is amended*  
4 *to read:*

5 41344.1. (a) The Education Audit Appeals Panel is hereby  
6 established as a separate state agency. Its membership shall  
7 consist of the Superintendent of Public Instruction, the Director  
8 of the Department of Finance, and the Chief Executive Officer of  
9 the Fiscal Crisis and Management Assistance Team established  
10 pursuant to Section 42127.8 or their designees. The panel shall  
11 have the authority to expend funds, hire staff, make contracts, sue  
12 and be sued, and issue regulations in furtherance of its duties.

13 (b) The panel shall hear appeals filed pursuant to subdivision  
14 (d) of Section 41344. The Controller shall be a party to all  
15 appeals. ~~The State Department of Education~~ *department* and the  
16 Department of Finance may, at their election, timely intervene as  
17 a party in any appeal. The panel shall consider audit appeals  
18 pursuant to the administrative adjudication provisions of the  
19 Administrative Procedure Act (Chapter 4.5 (commencing with  
20 Section 11400) and Chapter 5 (commencing with Section 11500)  
21 of Part 1 of Division 3 of Title 2 of the Government Code),  
22 except that it may adopt regulations specifying special pleadings  
23 that shall govern audit appeals. The panel may approve  
24 settlements and make findings of fact and interpretations of law.

25 (c) Compliance with all legal requirements is a condition to  
26 the state's obligation to make apportionments. A condition may  
27 be deemed satisfied if the panel finds there has been compliance  
28 or substantial compliance with all legal requirements.  
29 "Substantial compliance" means nearly complete satisfaction of  
30 all material requirements of a funding program that provide an  
31 educational benefit substantially consistent with the program's  
32 purpose. A minor or inadvertent noncompliance may be grounds  
33 for a finding of substantial compliance provided that the local  
34 education agency can demonstrate it acted in good faith to  
35 comply with the conditions established in law or regulation  
36 necessary for apportionment of funding. The panel may further  
37 define "substantial compliance" by issuing regulations or through  
38 adjudicative opinions, or both. If the panel finds there has been  
39 substantial compliance, the panel may waive or reduce the  
40 reimbursement *or penalty amount* and may also order other

1 remedial measures sufficient to induce full compliance in the  
2 future. Other remedial measures may include, ~~but are not limited~~  
3 ~~to~~, restoration of a reduction *or penalty amount* if full compliance  
4 is not rendered in the future, ordering special audits, and  
5 requiring special training.

6 (d) In addition to the normal appeal process specified above,  
7 there is hereby created a voluntary, informal, summary appeals  
8 process for noncompliant audit exceptions that clearly constitute  
9 substantial compliance as that term is defined in subdivision (c).  
10 Requests for summary review shall be made to the executive  
11 officer of the panel who may seek comment from the Department  
12 of Finance or Superintendent ~~of Public Instruction~~. Summary  
13 review shall be sought within 30 days of the date on which a  
14 local education agency receives a final audit report resulting from  
15 an audit or review.

16 (1) If the executive officer concludes the conditions for  
17 finding substantial compliance are not clearly met or involve  
18 substantial questions of fact, the executive officer may deny the  
19 request for summary review and the appellant may pursue its  
20 claim through the normal appeal process.

21 (2) For appeals in which the total audit exceptions for full  
22 repayment *or penalty* constitute less than 150 units of average  
23 daily attendance or seven hundred fifty thousand dollars  
24 (\$750,000), whichever is less, the executive officer may ~~order~~  
25 ~~reduced~~ *waive or reduce the reimbursement or penalty* upon a  
26 finding of substantial compliance and that other remedial  
27 measures are sufficient to induce full compliance in the future.

28 (3) For appeals in which the total audit exceptions for full  
29 repayment *or penalty* meet or exceed 150 units of average daily  
30 attendance or seven hundred fifty thousand dollars (\$750,000),  
31 whichever is greater, the executive officer may ~~propose reduced~~  
32 *waive or reduce the reimbursement or penalty* upon a finding of  
33 substantial compliance and order other remedial measures that  
34 are sufficient to induce full compliance in the future, if he or she  
35 has the written approval of the Department of Finance and the  
36 Superintendent ~~of Public Instruction~~. The executive officer shall  
37 provide the details of the proposed settlement and the rationale in  
38 writing to the Department of Finance and Superintendent ~~of~~  
39 ~~Public Instruction~~ and allow at least 30 days for their review.

(4) The right to appeal pursuant to subdivision (d) of Section 41344 is independent of this subdivision and an appellant may pursue his or her appeal under subdivision (b) regardless of the result under this subdivision. ~~Local education agencies~~ *A local educational agency* that ~~have~~ *has* unresolved audit appeals pursuant to subdivision (d) of Section 41344 pending on January 1, 2003, may file a request for summary review under this subdivision for a period of 60 days after January 1, 2003.

*SEC. 14. Section 41402 of the Education Code is amended to read:*

~~41402. For the purposes of this article, and subject to the provisions of Section 41402.1, the~~ *The* maximum ratios of administrative employees to each 100 teachers in the various types of school districts shall be as follows:

(a) In elementary school districts—9.

(b) In unified school districts—8.

(c) In high school districts—7.

~~This section shall not apply to any a school district which that has only one school and one administrator or fewer administrators.~~

*SEC. 15. Section 41521 of the Education Code is amended to read:*

41521. (a) The teacher credentialing block grant shall include funding previously apportioned to school districts for purposes of beginning teacher support and assessment as set forth in Article 4.5 (commencing with Section 44279.1) of Chapter 2 of Part 25.

(b) For purposes of issuing teaching credentials, certificates, or other authorizations, the Commission on Teacher Credentialing shall approve the programs ~~in paragraphs (1) and (2) of described by~~ subdivision (a). To ensure the Superintendent ~~of Public Instruction~~ has the requisite information to allocate funding based on the number of participating credential candidates pursuant to this article, the commission shall inform the Superintendent ~~of Public Instruction~~ on an ongoing basis of the approval status of these programs and numbers of participating candidates in each approved program.

*SEC. 16. Section 41530 of the Education Code is amended to read:*

1 41530. (a) There is hereby established the professional  
2 development block grant. Commencing with the 2005–06 fiscal  
3 year, the Superintendent of Public Instruction shall apportion  
4 block grant funds to a school district based on the number of  
5 certificated teachers employed by the school district in the  
6 immediately prior fiscal year.

7 (b) A school district may expend funds received pursuant to  
8 this article for any purpose authorized by the programs listed in  
9 Section 41531, as the statutes governing those programs read on  
10 January 1, 2004, ~~if the school district provides each teacher of~~  
11 ~~kindergarten or any of grades 1 to 6, inclusive, with opportunities~~  
12 ~~to participate in professional development activities in reading~~  
13 ~~language arts/English language development. In providing~~  
14 ~~teachers of kindergarten and any of grades 1 to 6, inclusive, with~~  
15 ~~opportunities to participate in professional development activities~~  
16 ~~in reading language arts/English language development, a school~~  
17 ~~district shall expend at least an amount that is equal to the~~  
18 ~~proportion that funding calculated pursuant to Article 3~~  
19 ~~(commencing with Section 99230) of Chapter 5 of Part 65 bears~~  
20 ~~to the statewide total amount of block grant funds appropriated~~  
21 ~~for purposes of this article. For purposes of this article,~~  
22 ~~professional development in reading language arts/English~~  
23 ~~language development shall be equivalent in rigor to the~~  
24 ~~professional development provided pursuant to Article 3~~  
25 ~~(commencing with Section 99230) of Chapter 5 of Part 65, as~~  
26 ~~that article read on January 1, 2004.~~

27 (c) For purposes of this article, “school district” includes a  
28 county office of education if county offices of education are  
29 eligible to receive funds for the programs that are listed in  
30 Section 41531. The block grant of a county office of education  
31 shall be based only on those programs for which it was eligible to  
32 receive funds in the 2003–04 fiscal year.

33 **SEC. 2.—**

34 *SEC. 17.* Section 41976 of the Education Code is amended to  
35 read:

36 41976. (a) For purposes of this chapter, the following classes  
37 and courses are authorized to be offered by school districts and  
38 county superintendents of schools for apportionment purposes  
39 from the adult education fund:

1 (1) Adult programs in parenting, including parent cooperative  
2 preschools, and classes in child growth and development,  
3 parent-child relationships, and parenting.

4 (2) Adult programs in elementary and secondary basic skills  
5 and other courses and classes required for the high school  
6 diploma. Apportionments for these courses and classes may only  
7 be generated by students who do not possess a high school  
8 diploma, except for remedial academic courses or classes in  
9 reading, mathematics, and language arts.

10 (3) Adult education programs in English as a second language.

11 (4) Adult education programs for immigrants eligible for  
12 educational services in citizenship, English as a second language,  
13 and workforce preparation classes in the basic skills of speaking,  
14 listening, reading, writing, mathematics, decisionmaking and  
15 problem solving skills, and other classes required for preparation  
16 to participate in job specific technical training.

17 (5) Adult education programs for adults with disabilities.

18 (6) Adult short-term career technical education programs with  
19 high employment potential. Any reference to “vocational”  
20 education or programs in adult education means “career  
21 technical” education or programs in adult education.

22 (7) Adult programs for older adults.

23 (8) Adult education programs for apprentices.

24 (9) Adult programs in home economics.

25 (10) Adult programs in health and safety education.

26 (b) No state apportionment shall be made for any course or  
27 class which is not set forth in subdivision (a).

28 ~~SEC. 3.—~~

29 *SEC. 18.* Section 41976.5 of the Education Code is amended  
30 to read:

31 41976.5. (a) Each school district or county superintendent of  
32 schools providing services in summer school programs for adults  
33 with disabilities in the 1977-78 school year shall continue in the  
34 1980-81 fiscal year and each fiscal year thereafter to offer these  
35 programs.

36 (b) A school district or county superintendent of schools  
37 receiving apportionments from Section A of the State School  
38 Fund shall offer summer programs for graduating high school  
39 seniors in need of courses for graduation.

1     *SEC. 19. Section 42127 of the Education Code is amended to*  
2     *read:*

3     42127. (a) On or before July 1 of each year, the governing  
4     board of each school district shall accomplish the following:

5     (1) Hold a public hearing on the budget to be adopted for the  
6     subsequent fiscal year. The budget to be adopted shall be  
7     prepared in accordance with Section 42126. The agenda for that  
8     hearing shall be posted at least 72 hours prior to the public  
9     hearing and shall include the location where the budget will be  
10    available for public inspection.

11    (2) Adopt a budget. Not later than five days after that adoption  
12    or by July 1, whichever occurs first, the governing board shall  
13    file that budget with the county superintendent of schools. That  
14    budget and supporting data shall be maintained and made  
15    available for public review. If the governing board of the district  
16    does not want all or a portion of the property tax requirement  
17    levied for the purpose of making payments for the interest and  
18    redemption charges on indebtedness as described in paragraph  
19    (1) or (2) of subdivision (b) of Section 1 of Article XIII A of the  
20    California Constitution, the budget shall include a statement of  
21    the amount or portion for which a levy shall not be made.

22    (b) The county superintendent of schools may accept changes  
23    in any statement included in the budget, pursuant to subdivision  
24    (a), of the amount or portion for which a property tax levy shall  
25    not be made. The county superintendent or the county auditor  
26    shall compute the actual amounts to be levied on the property tax  
27    rolls of the district for purposes that exceed apportionments to  
28    the district pursuant to Chapter 6 (commencing with Section 95)  
29    of Part 0.5 of Division 1 of the Revenue and Taxation Code.  
30    Each school district shall provide all data needed by the county  
31    superintendent or the county auditor to compute the amounts. On  
32    or before August 15, the county superintendent shall transmit the  
33    amounts computed to the county auditor who shall compute the  
34    tax rates necessary to produce the amounts. On or before  
35    September 1, the county auditor shall submit the rate computed  
36    to the board of supervisors for adoption.

37    (c) The county superintendent of schools shall do all of the  
38    following:

39    (1) Examine the adopted budget to determine whether it  
40    complies with the standards and criteria adopted by the State



Board of Education pursuant to Section 33127 for application to final local educational agency budgets. The county superintendent shall identify, if necessary, any technical corrections that are required to be made to bring the budget into compliance with those standards and criteria.

(2) Determine whether the adopted budget will allow the district to meet its financial obligations during the fiscal year and is consistent with a financial plan that will enable the district to satisfy its multiyear financial commitments. In addition to his or her own analysis of the budget of each school district, the county superintendent of schools shall review and consider studies, reports, evaluations, or audits of the school district that were commissioned by the district, the county superintendent, the Superintendent, and state control agencies and that contain evidence that the school district is showing fiscal distress under the standards and criteria adopted in Section 33127 or that contain a finding by an external reviewer that more than three of the 15 most common predictors of a school district needing intervention, as determined by the County Office Fiscal Crisis and Management Assistance Team, are present. The county superintendent of schools shall either conditionally approve or disapprove a budget that does not provide adequate assurance that the district will meet its current and future obligations and resolve any problems identified in studies, reports, evaluations, or audits described in this paragraph.

(d) On or before August 15, the county superintendent of schools shall approve, conditionally approve, or disapprove the adopted budget for each school district. If a school district does not submit a budget to the county superintendent of schools, the county superintendent of schools shall, at district expense, develop a budget for that school district by September 15 and transmit that budget to the governing board of the school district. The budget prepared by the county superintendent of schools shall be deemed adopted, unless the county superintendent of schools approves any modifications made by the governing board of the school district. The approved budget shall be used as a guide for the district's priorities. The Superintendent shall review and certify the budget approved by the county. If, pursuant to the review conducted pursuant to subdivision (c), the county superintendent of schools determines that the adopted budget for

1 a school district does not satisfy paragraph (1) or (2) of that  
2 subdivision, he or she shall conditionally approve or disapprove  
3 the budget and, not later than August 15, transmit to the  
4 governing board of the school district, in writing, his or her  
5 recommendations regarding revision of the budget and the  
6 reasons for those recommendations, including, but not limited to,  
7 the amounts of any budget adjustments needed before he or she  
8 can conditionally approve that budget. The county superintendent  
9 of schools may assign a fiscal adviser to assist the district to  
10 develop a budget in compliance with those revisions. In addition,  
11 the county superintendent of schools may appoint a committee to  
12 examine and comment on the superintendent's review and  
13 recommendations, subject to the requirement that the committee  
14 report its findings to the superintendent no later than August 20.

15 (e) On or before September 8, the governing board of the  
16 school district shall revise the adopted budget to reflect changes  
17 in projected income or expenditures subsequent to July 1, and to  
18 include any response to the recommendations of the county  
19 superintendent of schools, shall adopt the revised budget, and  
20 shall file the revised budget with the county superintendent of  
21 schools. Prior to revising the budget, the governing board shall  
22 hold a public hearing regarding the proposed revisions, to be  
23 conducted in accordance with Section 42103. *In addition, if the*  
24 *adopted budget is disapproved pursuant to subdivision (d), the*  
25 *governing board and the county superintendent of schools shall*  
26 *review the disapproval and the recommendations of the county*  
27 *superintendent of schools regarding revision of the budget at the*  
28 *public hearing.* The revised budget and supporting data shall be  
29 maintained and made available for public review.

30 (f) On or before September 22, the county superintendent of  
31 schools shall provide a list to the Superintendent of Public  
32 Instruction identifying all school districts for which budgets may  
33 be disapproved.

34 (g) The county superintendent of schools shall examine the  
35 revised budget to determine whether it (1) complies with the  
36 standards and criteria adopted by the State Board of Education  
37 pursuant to Section 33127 for application to final local  
38 educational agency budgets, (2) allows the district to meet its  
39 financial obligations during the fiscal year, (3) satisfies all  
40 conditions established by the county superintendent of schools in

the case of a conditionally approved budget, and (4) is consistent with a financial plan that will enable the district to satisfy its multiyear financial commitments, and, not later than October 8, shall approve or disapprove the revised budget. If the county superintendent of schools disapproves the budget, he or she shall call for the formation of a budget review committee pursuant to Section 42127.1, unless the governing board of the school district and the county superintendent of schools agree to waive the requirement that a budget review committee be formed and the department approves the waiver after determining that a budget review committee is not necessary. Upon the grant of a waiver, the county superintendent has the authority and responsibility provided to a budget review committee in Section 42127.3. Upon approving a waiver of the budget review committee, the department shall ensure that a balanced budget is adopted for the school district by November 30. If no budget is adopted by November 30, the Superintendent may adopt a budget for the school district. The Superintendent shall report to the Legislature and the Director of Finance by December 10 if any district, including a district that has received a waiver of the budget review committee process, does not have an adopted budget by November 30. This report shall include the reasons why a budget has not been adopted by the deadline, the steps being taken to finalize budget adoption, the date the adopted budget is anticipated, and whether the Superintendent has or will exercise his or her authority to adopt a budget for the school district.

(h) Not later than October 8, the county superintendent of schools shall submit a report to the Superintendent of Public Instruction identifying all school districts for which budgets have been disapproved or budget review committees waived. The report shall include a copy of the written response transmitted to each of those districts pursuant to subdivision (d).

(i) Notwithstanding any other provision of this section, the budget review for a school district shall be governed by paragraphs (1), (2), and (3) of this subdivision, rather than by subdivisions (e) and (g), if the governing board of the school district so elects and notifies the county superintendent in writing of that decision, not later than October 31 of the immediately preceding calendar year. On or before July 1, the governing board of a school district for which the budget review is

1 governed by this subdivision, rather than by subdivisions (e) and  
2 (g), shall conduct a public hearing regarding its proposed budget  
3 in accordance with Section 42103.

4 (1) If the adopted budget of a school district is disapproved  
5 pursuant to subdivision (d), on or before September 8, the  
6 governing board of the school district, in conjunction with the  
7 county superintendent of schools, shall review the  
8 superintendent's recommendations at a regular meeting of the  
9 governing board and respond to those recommendations. The  
10 response shall include any revisions to the adopted budget and  
11 other proposed actions to be taken, if any, as a result of those  
12 recommendations.

13 (2) On or before September 22, the county superintendent of  
14 schools will provide a list to the Superintendent of Public  
15 Instruction identifying all school districts for which a budget may  
16 be tentatively disapproved.

17 (3) Not later than October 8, after receiving the response  
18 required under paragraph (1), the county superintendent of  
19 schools shall review that response and either approve or  
20 disapprove the budget. If the county superintendent of schools  
21 disapproves the budget, he or she shall call for the formation of a  
22 budget review committee pursuant to Section 42127.1, unless the  
23 governing board of the school district and the county  
24 superintendent of schools agree to waive the requirement that a  
25 budget review committee be formed and the department approves  
26 the waiver after determining that a budget review committee is  
27 not necessary. Upon the grant of a waiver, the county  
28 superintendent has the authority and responsibility provided to a  
29 budget review committee in Section 42127.3. Upon approving a  
30 waiver of the budget review committee, the department shall  
31 ensure that a balanced budget is adopted for the school district by  
32 November 30. The Superintendent shall report to the Legislature  
33 and the Director of Finance by December 10 if any district,  
34 including a district that has received a waiver of the budget  
35 review committee process, does not have an adopted budget by  
36 November 30. This report shall include the reasons why a budget  
37 has not been adopted by the deadline, the steps being taken to  
38 finalize budget adoption, and the date the adopted budget is  
39 anticipated.

(4) Not later than 45 days after the Governor signs the annual Budget Act, the school district shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by that Budget Act.

(j) Any school district for which the county board of education serves as the governing board is not subject to subdivisions (c) to (h), inclusive, but is governed instead by the budget procedures set forth in Section 1622.

*SEC. 20. Section 42132 of the Education Code is amended to read:*

42132. On or before September~~30~~ 15 of each year, the governing board of each school district shall adopt a resolution to identify, pursuant to Division 9 (commencing with Section 7900) of Title 1 of the Government Code, the estimated appropriations limit for the district for the current fiscal year and the actual appropriations limit for the district for the preceding fiscal year. That resolution shall be adopted at a regular or special meeting of the governing board. Notwithstanding Section 7910 of the Government Code, documentation used in the identification of the appropriations limits shall be made available to the public on the date of the meeting.

*SEC. 21. Section 42238.23 of the Education Code is amended to read:*

42238.23. Notwithstanding any other provision of law, persons providing services to local~~—education~~ educational agencies through use of a joint powers authority involving the local education agency who would, in absence of the joint powers authority, otherwise be considered school employees and subject to the Public Employees' Retirement System rate reduction to revenue limits authorized in Section~~—42238~~ 42238.12, shall not be excluded from the calculations of the Public Employees' Retirement System reduction authorized in that section.

*SEC. 22. Section 42282 of the Education Code is amended to read:*

42282. For each district with fewer than 2,501 units of second principal apportionment average daily attendance, on account of each necessary small school, the county superintendent shall make the following computations:

1 (a) For each necessary small school which has an average  
2 daily attendance during the fiscal year of less than 26, exclusive  
3 of pupils attending the 7th and 8th grades of a junior high school,  
4 and for which school at least one teacher was hired full time, the  
5 county superintendent shall compute for the district fifty-two  
6 thousand nine hundred twenty-five dollars (\$52,925).

7 (b) For each necessary small school which has an average  
8 daily attendance during the fiscal year of 26 or more and less  
9 than 51, exclusive of pupils attending the 7th and 8th grades of a  
10 junior high school, and for which school at least two teachers  
11 were hired full time for more than one-half of the days schools  
12 were maintained, the county superintendent shall compute for the  
13 district one hundred five thousand eight hundred fifty dollars  
14 (\$105,850).

15 (c) For each necessary small school which has an average  
16 daily attendance during the fiscal year of 51 or more but less than  
17 76, exclusive of pupils attending the 7th and 8th grades of a  
18 junior high school, and for which school three teachers were  
19 hired full time for more than one-half of the days schools were  
20 maintained, the county superintendent shall compute for the  
21 district one hundred fifty-eight thousand seven hundred  
22 seventy-five dollars (\$158,775).

23 (d) For each necessary small school which has an average  
24 daily attendance during the fiscal year of 76 or more and less  
25 than 101, exclusive of pupils attending the 7th and 8th grades of  
26 a junior high school, and for which school four teachers were  
27 hired full time for more than one-half of the days schools were  
28 maintained, the county superintendent shall compute for the  
29 district two hundred eleven thousand seven hundred dollars  
30 (\$211,700). These school districts may use this funding  
31 calculation until the revenue limit per unit of average daily  
32 attendance multiplied by the average daily attendance produces  
33 state aid equal to the small school funding formula.

34 (e) For the 1998–99 fiscal year and each fiscal year thereafter,  
35 the ranges of average daily attendance specified in subdivisions  
36 (a) to (d), inclusive, shall be reduced by the statewide average  
37 rate of excused absence reported for ~~high elementary~~ school  
38 districts for the 1996–97 fiscal year pursuant to Section 42238.7,  
39 with the resultant figures and ranges rounded to the nearest  
40 integer.

1     ~~SEC. 4.—~~

2     *SEC. 23.* Section 42282.1 of the Education Code is amended  
3 to read:

4     42282.1. (a) Notwithstanding Section 42282, or any other  
5 provision of law, each necessary small school in the Death  
6 Valley Unified School District shall qualify for the  
7 apportionment specified in subdivision (b) of Section 42282 if  
8 that school has an average daily attendance of 21 or more and  
9 less than 51, exclusive of pupils attending the 7th and 8th grades  
10 of a junior high school, and for which school at least two teachers  
11 were hired full-time for more than one-half of the days schools  
12 were maintained.

13     (b) It is the intent of the Legislature not to provide a special  
14 allowance to the Death Valley Unified School District for one of  
15 its schools by future legislation if the average daily attendance at  
16 the school is 18 or less.

17     ~~SEC. 5.—~~

18     *SEC. 24.* Section 42285 of the Education Code is amended to  
19 read:

20     42285. (a) A necessary small high school for the purposes of  
21 Section 42284, is a high school with an average daily attendance  
22 of less than 301, excluding continuation schools, which comes  
23 within any of the following conditions (except that a single high  
24 school maintained by a unified district, or a high school  
25 maintained by any district for the exclusive purpose of educating  
26 juvenile hall pupils or pupils with exceptional needs, shall be  
27 considered a necessary small high school):

28     (1) The projection of its future enrollment on the basis of the  
29 enrollment of the elementary schools in the district shows that  
30 within eight years the enrollment in high school in grades 9 to 12,  
31 inclusive, will exceed 300 pupils.

32     (2) Any one of the following combinations of distance and  
33 units of average daily attendance applies:

34     (A) The high school had an average daily attendance of less  
35 than 100 in grades 9 to 12, inclusive, during the preceding fiscal  
36 year and is more than 15 miles by well-traveled road from the  
37 nearest other public high school and either 90 percent of the  
38 pupils would be required to travel 20 miles or 25 percent of the  
39 pupils would be required to travel 30 miles one way from a point

1 on a well-traveled road nearest their homes to the nearest other  
2 public high school.

3 (B) The high school had an average daily attendance of 100 or  
4 more and less than 150 in grades 9 to 12, inclusive, during the  
5 preceding fiscal year and is more than 10 miles by well-traveled  
6 road from the nearest other public high school and either 90  
7 percent of the pupils would be required to travel 18 miles or 25  
8 percent of the pupils would be required to travel 25 miles one  
9 way from a point on a well-traveled road nearest their homes to  
10 the nearest other public high school.

11 (C) The high school had an average daily attendance of 150 or  
12 more and less than 200 in grades 9 to 12, inclusive, during the  
13 preceding fiscal year and is more than 7 ½ miles by well-traveled  
14 road from the nearest other public high school and either 90  
15 percent of the pupils would be required to travel 15 miles or 25  
16 percent of the pupils would be required to travel 20 miles one  
17 way from a point on a well-traveled road nearest their homes to  
18 the nearest other public high school.

19 (D) The high school had an average daily attendance of 200 or  
20 more and less than 301 in grades 9 to 12, inclusive, during the  
21 preceding fiscal year and is more than five miles by well-traveled  
22 road from the nearest other public high school and either 90  
23 percent of the pupils would be required to travel 10 miles or 25  
24 percent of the pupils would be required to travel 15 miles to the  
25 nearest other public high school.

26 (3) Topographical or other conditions exist in the district  
27 which would impose unusual hardships on the pupils if the  
28 number of miles specified above were required to be traveled. In  
29 these cases, the Superintendent may, when requested, and after  
30 investigation, grant exceptions from the distance requirements.

31 (4) The Superintendent has approved the recommendation of a  
32 county committee on school district organization designating one  
33 of two or more schools as necessary isolated schools in a  
34 situation where the schools are operated by two or more districts  
35 and the average daily attendance of each of the schools is less  
36 than 301 in grades 9 to 12, inclusive.

37 (b) For the 1998-99 fiscal year and each fiscal year thereafter,  
38 the high school and junior high school average daily attendance  
39 figures specified in subdivision (a) and the ranges of average  
40 daily attendance specified in paragraph (2) of subdivision (a)



shall be reduced by the statewide average rate of excused absence reported for high school districts for the 1996-97 fiscal year pursuant to Section 42238.7, with the resultant figures and ranges rounded to the nearest integer.

*SEC. 25. Section 42285.4 is added to the Education Code, to read:*

*42285.4. Notwithstanding any other provision of law, the River Delta Unified School District is eligible to receive apportionments pursuant to the schedule and criteria for small necessary high schools set forth in Section 42284 if the school district has no more than 3,000 units of average daily attendance.*

*SEC. 26. Section 44225.6 of the Education Code is amended to read:*

44225.6. (a) By April 15 of each year, the commission shall report to the Legislature and the Governor on the availability of teachers in California. This report shall include the following information:

(1) The number of individuals recommended for credentials by institutions of higher education and the type of credential or certificate, or both, for which they were recommended, including certificates issued pursuant to Sections ~~42253.3 and 42253.4~~ 44253.3 and 44253.4.

(2) The number of individuals recommended by school districts operating district internship programs and the type of credential or certificate, or both, for which they were recommended, including certificates issued pursuant to Sections ~~42253.3 and 42253.4~~ 44253.3 and 44253.4.

(3) The number of individuals receiving an initial credential based on a program completed outside of California and the type of credential or certificate, or both, for which they were recommended, including certificates issued pursuant to Sections ~~42253.3 and 42253.4~~ 44253.3 and 44253.4.

(4) The number of individuals receiving an emergency permit, credential waiver, or other authorization that does not meet the definition of a highly qualified teacher under the No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.).

(5) By county and school district, the number of individuals serving in the following capacities and as a percentage of the

1 total number of individuals serving as teachers in the county and  
2 school district:

3 (A) University internship.

4 (B) District internship.

5 (C) Preinternship.

6 (D) Emergency permit.

7 (E) Credential waiver.

8 (F) Preliminary or professional clear credential.

9 (G) An authorization, other than those listed in this paragraph,  
10 that does not meet the definition of a highly qualified teacher  
11 under the No Child Left Behind Act of 2001 (20 U.S.C. Sec.  
12 6301 et seq.) by category of authorization.

13 (H) Certificate issued pursuant to Section ~~42253.3~~ 44253.3.

14 (I) Certificate issued pursuant to Section ~~42253.4~~ 44253.4.

15 (J) Certificate of completion issued pursuant to Section  
16 ~~42253.10~~ 44253.10.

17 (6) The specific subjects and teaching areas in which there are  
18 a sufficient number of new holders of credentials to fill the  
19 positions currently held by individuals with emergency permits.

20 (b) The commission shall make this report available to school  
21 districts and county offices of education to assist them in the  
22 recruitment of credentialed teachers and shall make the report  
23 and supporting data publicly available on the commission's Web  
24 site.

25 (c) A common measure of whether teacher preparation  
26 programs are meeting the challenge of preparing increasing  
27 numbers of new teachers is the number of teaching credentials  
28 awarded. The number of teaching credentials recommended by  
29 these programs and awarded by the commission are indicators of  
30 the productivity of teacher preparation programs. The  
31 commission shall include in the report prepared for the  
32 Legislature and Governor pursuant to subdivision (a) the total  
33 number of teaching credentials recommended by all accredited  
34 teacher preparation programs authorized by the commission and  
35 the number recommended by each of the following:

36 (1) The University of California system.

37 (2) The California State University system.

38 (3) Independent colleges and universities that offer teacher  
39 preparation programs approved by the commission.

(4) Other institutions that offer teacher preparation programs approved by the commission.

~~SEC. 6.—~~

*SEC. 27.* Section 44252.1 of the Education Code is amended to read:

44252.1. (a) It is the intent of the Legislature that a credential candidate enrolled in a credential preparation program receive reasonable time to complete the program without meeting new requirements, including, but not limited to, requirements added by statutes, regulations, or commission standards, after the candidate's enrollment in the program. Further, to ensure that all candidates for a credential receive reasonable information and advice as they proceed through their program, the Legislature finds and declares that it is incumbent upon credential preparation programs to inform candidates of new requirements and extension provisions available to eligible candidates.

(b) For the purposes of this section, the following terms shall have the following meanings:

(1) "Enrolled" refers to an individual who, on or after January 1, 2002, continuously participates in and is working toward completing the requirements for a program that meets the minimum requirements for a California preliminary multiple or single subject teaching credential as specified in Section 44259. Whether an individual is enrolled shall be subject to verification by the Commission on Teacher Credentialing.

(2) "Continuously enrolled" refers to an individual who has begun a teacher preparation program and does not have a break in that participation that exceeds a period of 18 months.

(c) The commission shall adopt regulations to provide a credential candidate enrolled in a commission-accredited preparation program, including, but not limited to, an internship program as defined in Article 7.5 (commencing with Section 44325) and Article 3 (commencing with Section 44450), a professional preparation program as defined in Article 7 (commencing with Section 44320), or an integrated program of professional preparation as defined in Section 44259.1 with a grace period to complete the program without meeting new requirements, including, but not limited to, requirements added by statutes, regulations, or commission standards, after the candidate's enrollment in the program. The commission shall

1 also ensure through standards and accreditation procedures that  
2 credential preparation programs provide credential candidates  
3 with information about new requirements and extension  
4 provisions as outlined in this subdivision and subdivisions (d)  
5 and (e).

6 (1) The commission shall adopt regulations that provide a  
7 credential candidate enrolled in a commission-accredited  
8 preparation program time of not less than 24 months after  
9 enrollment in the program, during which time new or amended  
10 statutes, regulations, and commission standards that become  
11 effective and are imposed on credential candidates after the  
12 candidate's enrollment date shall not apply to that candidate.

13 (2) The commission shall allow a credential candidate an  
14 extension of time in addition to the time specified pursuant to  
15 paragraph (1) to complete a credential program under the  
16 statutes, regulations, and commission standards in place at the  
17 time of the candidate's enrollment if the candidate can  
18 demonstrate extenuating circumstances, including, but not  
19 limited to, personal or family illness, bereavement, or financial  
20 hardship and develops a plan, in consultation with the credential  
21 preparation program, for continued progress toward completion  
22 of the preparation program.

23 (d) The commission shall maintain a list of candidates who are  
24 allowed an extended time period to complete the program under  
25 the statutes, regulations, and commission standards in place at the  
26 time of the candidates' enrollment prior to the effective date of a  
27 new or amended statute, regulation, or standard. This list shall  
28 include the projected date of program completion for each  
29 candidate.

30 (e) (1) A credential candidate enrolled in an integrated  
31 program of professional preparation pursuant to subdivision (a)  
32 of Section 44259.1 is not subject to any new requirements added  
33 by statute, regulation, or commission standards if that candidate  
34 is continuously enrolled in the program, as defined in paragraph  
35 (2) of subdivision (b), and does not change the type of credential  
36 or program he or she is pursuing once enrolled.

37 (2) A credential candidate continuously enrolled in an  
38 integrated program of professional preparation pursuant to  
39 subdivision (a) of Section 44259.1 who has completed all  
40 requirements necessary to begin the student teaching component

1 of his or her program shall be eligible to receive an extension of  
2 12 months, if necessary, to complete the outstanding  
3 requirements that were in place when that credential candidate  
4 began the preparation program, and shall not be subject to any  
5 new requirements added by statute, regulation, or commission  
6 standards, once that candidate begins the student teaching portion  
7 of his or her program.

8 (3) This subdivision does not limit the ability of a candidate to  
9 seek additional time to complete a credential pursuant to  
10 paragraph (2) of subdivision (c).

11 (4) By June 30, 2004, the commission shall report to the  
12 education policy committees in each house of the Legislature on  
13 the success of the integrated program of professional  
14 development pursuant to Section 44259.1 toward preparing  
15 teacher candidates, including, but not limited to, the number of  
16 students admitted to the teacher education component in each  
17 program, the number of students who have completed all course  
18 requirements, including student teaching, and who have applied  
19 for a credential, the number of students applying for and  
20 receiving an extension pursuant to subdivision (e), and the  
21 information collected pursuant to subdivision (d).

22 (f) This section does not supersede subdivision (h) of Section  
23 44259.

24 (g) A modification of a credentialing examination by the  
25 commission that is made as the result of a validity study or a  
26 passing standard study shall not be considered a new requirement  
27 for purposes of this section.

28 (h) If credential preparation coursework that a credential  
29 candidate has not yet taken is modified, the candidate shall take  
30 the modified coursework instead of the previously required  
31 coursework unless the modified coursework is not readily  
32 available, the modified coursework would result in an increased  
33 cost to the candidate, or completion of the modified coursework  
34 would delay the candidate's completion of the credential  
35 preparation program.

36 (i) Once a candidate has received a preliminary California  
37 teaching credential pursuant to Section 44259 and is employed as  
38 the teacher of record in a California public school, the candidate  
39 shall not be subject to any new requirements for completing the  
40 induction phase required to obtain the professional clear teaching

1 credential pursuant to Section 44279.4, for a period not to exceed  
2 the length of time provided for the preliminary teaching  
3 credential pursuant to Section 44251.

4 *SEC. 28. Section 44265.6 is added to the Education Code, to*  
5 *read:*

6 *44265.6. (a) Upon the request of an employing school*  
7 *district, county office of education or state special school, the*  
8 *Commission on Teacher Credentialing shall determine specific*  
9 *requirements for and issue a one-year specialist instruction*  
10 *emergency permit, solely for the purpose of instructing deaf or*  
11 *hearing-impaired pupils, to any prelingually deaf candidate upon*  
12 *medical or other appropriate professional verifications.*

13 *(b) The applicant is exempted from the requirements in*  
14 *Section 44252 and subdivision (b) of Section 44830.*

15 *(c) "Prelingually deaf" means, for purposes of this section, as*  
16 *having suffered a hearing loss prior to three years of age that*  
17 *prevents the processing of linguistic information through*  
18 *hearing, with or without amplification.*

19 *(d) The emergency specialist instruction permit issued under*  
20 *this section authorizes the holder to teach deaf and*  
21 *hearing-impaired pupils who are enrolled in state special*  
22 *schools or in special classes for pupils with hearing impairments.*

23 *(e) A one-year specialist instruction emergency permit issued*  
24 *pursuant to subdivision (a) may be reissued at the request of the*  
25 *employing school district, county office of education or state*  
26 *special school in accordance with criteria determined by the*  
27 *Commission on Teacher Credentialing.*

28 *SEC. 29. Section 44664 of the Education Code is amended to*  
29 *read:*

30 *44664. (a) Evaluation and assessment of the performance of*  
31 *each certificated employee shall be made on a continuing basis as*  
32 *follows:*

33 *(1) At least once each school year for probationary personnel.*

34 *(2) At least every other year for personnel with permanent*  
35 *status.*

36 *(3) At least every five years for personnel with permanent*  
37 *status who have been employed at least 10 years with the school*  
38 *district, are highly qualified, if those personnel occupy positions*  
39 *that are required to be filled by a highly qualified professional by*  
40 *the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec.*

1 6301, *et seq.*), as defined in 20 U.S.C. Sec. 7801, and whose  
2 previous evaluation rated the employee as meeting or exceeding  
3 standards, if the evaluator and certificated employee being  
4 evaluated agree. The certificated employee or the evaluator may  
5 withdraw consent at any time.

6 (b) The evaluation shall include recommendations, if  
7 necessary, as to areas of improvement in the performance of the  
8 employee. If an employee is not performing his or her duties in a  
9 satisfactory manner according to the standards prescribed by the  
10 governing board, the employing authority shall notify the  
11 employee in writing of that fact and describe the unsatisfactory  
12 performance. The employing authority shall thereafter confer  
13 with the employee making specific recommendations as to areas  
14 of improvement in the employee's performance and endeavor to  
15 assist the employee in his or her performance. If any permanent  
16 certificated employee has received an unsatisfactory evaluation,  
17 the employing authority shall annually evaluate the employee  
18 until the employee achieves a positive evaluation or is separated  
19 from the district.

20 (c) Any evaluation performed pursuant to this article which  
21 contains an unsatisfactory rating of an employee's performance  
22 in the area of teaching methods or instruction may include the  
23 requirement that the certificated employee shall, as determined  
24 necessary by the employing authority, participate in a program  
25 designed to improve appropriate areas of the employee's  
26 performance and to further pupil achievement and the  
27 instructional objectives of the employing authority. If a district  
28 participates in the Peer Assistance and Review Program for  
29 Teachers established pursuant to Article 4.5 (commencing with  
30 Section 44500), any certificated employee who receives an  
31 unsatisfactory rating on an evaluation performed pursuant to this  
32 section shall participate in the Peer Assistance and Review  
33 Program for Teachers.

34 (d) Hourly and temporary hourly certificated employees, other  
35 than those employed in adult education classes who are excluded  
36 by the provisions of Section 44660, and substitute teachers may  
37 be excluded from the provisions of this section at the discretion  
38 of the governing board.

39 *SEC. 30. Section 45037 of the Education Code is amended to*  
40 *read:*

1 45037. (a) Except as provided in Section 45036, for the fiscal  
2 year 2001–02 and for any fiscal year thereafter in which a person  
3 renders service as a teacher in kindergarten or any of grades 1 to  
4 12, inclusive, who does not have a valid certification document,  
5 the school district or county office of education in which the  
6 person is employed shall be assessed a penalty that shall be in  
7 lieu of any loss of funding that would otherwise result under  
8 Chapter 6.10 (commencing with Section 52120) of Part 28. The  
9 penalty shall be calculated as provided in subdivision (b) and  
10 withheld from state funding otherwise due to the district or  
11 county office of education.

12 (1) Notwithstanding Section 46300, the attendance of the  
13 noncertificated person's pupils during the period of service shall  
14 be included in the computation of average daily attendance.

15 (2) The noncertificated person's period of service shall not be  
16 excluded from the determination of eligibility for incentive  
17 funding for a longer instructional day or year, or both, pursuant  
18 to Article 8 (commencing with Section 46200) of Chapter 2 of  
19 Part 26.

20 (b) (1) For each person who rendered service in the  
21 employment of the district or county office of education as a  
22 teacher in kindergarten or any of grades 1 to 12, inclusive, during  
23 the fiscal year, add the total number of schooldays on which the  
24 person rendered any amount of the service.

25 (2) For each person who rendered service in the employment  
26 of the district or county office of education as a teacher in  
27 kindergarten or any of grades 1 to 12, inclusive, during the fiscal  
28 year, for a period of service during which the person did not have  
29 a valid certification document, add the number of schooldays on  
30 which the person rendered any amount of the service without a  
31 valid certification document.

32 (3) Divide the number determined in paragraph (2) by the  
33 number determined in paragraph (1) and carry the result to four  
34 decimal places.

35 (4) Multiply a school district's revenue limit entitlement for  
36 the fiscal year, calculated pursuant to Section 42238, or its  
37 funding amount calculated pursuant to Article 4 (commencing  
38 with Section 42280) of Chapter 7 of Part 24, as applicable, or a  
39 county office of education's funding for the fiscal year, for the



1 program in which the noncertificated person rendered service by  
2 the number determined in paragraph (3).

3 (c) Beginning in 2002–03, if a county office of education  
4 releases a warrant *as compensation for service as a teacher* in  
5 favor of a person for whom a period of school district service is  
6 included in the calculation set forth in paragraph (2) of  
7 subdivision (b), the county office shall be assessed a penalty. The  
8 penalty assessed to a county office for any fiscal year in which  
9 one or more district teachers did not have a valid certification  
10 document shall be equal to the lesser of three amounts as follows:

11 (1) Fifty percent of all penalties assessed for that fiscal year to  
12 all school districts in the county office’s jurisdiction pursuant to  
13 subdivision (b).

14 (2) One-half percent of the total expenditures for that fiscal  
15 year from unrestricted resources, as defined in the California  
16 School Accounting Manual, in the county office’s county school  
17 service fund, when two or fewer districts in the county office’s  
18 jurisdiction are subject to penalties pursuant to subdivision (b).

19 (3) One percent of the total expenditures for that fiscal year  
20 from unrestricted resources, as defined in the California School  
21 Accounting Manual, in the county office’s county school service  
22 fund, when three or more districts in the county office’s  
23 jurisdiction are subject to penalties pursuant to subdivision (b).

24 ~~(d) Nothing~~ *Except as provided in subdivision (d) of Section*  
25 *41344.1, nothing* in this section may be waived in whole or in  
26 any part.

27 ~~SEC. 7.—~~

28 *SEC. 31.* Section 48213 of the Education Code is repealed.

29 ~~SEC. 8.—~~

30 *SEC. 32.* Section 48213 is added to the Education Code, to  
31 read:

32 48213. If a pupil is excluded from attendance pursuant to  
33 Section 120230 of the Health and Safety Code or Section 49451  
34 of this code, or if a principal or his or her designee determines  
35 that the continued presence of the child would constitute a clear  
36 and present danger to the life, safety, or health of a pupil or  
37 school personnel, the governing board is not required to send  
38 prior notice of the exclusion to the parent or guardian of the pupil  
39 ~~as required in this section.~~ The governing board shall send a

1 notice of the exclusion as soon as is reasonably possible after the  
2 exclusion.

3 *SEC. 33. Section 48660.2 of the Education Code is amended*  
4 *to read:*

5 48660.2. (a) Notwithstanding any other provision of law, and  
6 as a condition of receiving apportionments under this article,  
7 school districts operating one or more community day schools  
8 shall annually report to the Superintendent of Public Instruction,  
9 on forms approved by the State Board of Education, the direct  
10 instructional costs and documented support costs of their  
11 community day schools, using definitions included in the  
12 California School Accounting Manual, Part I, as it read on July 1,  
13 1997, except that districts may include in these reports the costs  
14 of rents and leases for facilities used by community day schools  
15 and maintenance and operations costs for facilities used by  
16 community day schools. Each school district that has received  
17 approval from the State Department of Education *department* to  
18 use the standardized account code structure may satisfy the  
19 requirement set forth in this subdivision by reporting the direct  
20 costs of the community day school program, and shall maintain  
21 documentation of all noninstructional costs charged to the  
22 community day school program.

23 (b) The Superintendent of Public Instruction shall do each of  
24 the following:

25 (1) Multiply the total of all funds received by each school  
26 district on behalf of pupils while enrolled in community day  
27 schools by 0.9.

28 (2) Subtract the total of each school district's costs for  
29 community day schools, as determined pursuant to subdivision  
30 (a), from the amount determined pursuant to paragraph (1).

31 (3) If the amount determined pursuant to paragraph (2) for a  
32 school district is positive, the Superintendent of Public  
33 Instruction shall subtract that amount from the school district's  
34 next apportionment.

35 (c) (1) *For purposes of making the computation required by*  
36 *paragraph (1) of subdivision (b) for the 2004-05 fiscal year, the*  
37 *"total of all funds received" means the total of all funds received*  
38 *in the 2002-03 to 2004-05 fiscal years, inclusive.*

39 (2) *For purposes of making the computation required by*  
40 *paragraph (2) of subdivision (b) for the 2004-05 fiscal year, the*

1 “school district’s costs” means the school district’s costs  
2 incurred in the 2002-03 to 2004-05 fiscal years, inclusive.

3 SEC. 34. Section 48900.8 of the Education Code is amended  
4 to read:

5 48900.8. For purposes of notification to parents, and for the  
6 reporting of expulsion or suspension offenses to the ~~State~~  
7 ~~Department of Education~~ department, each school district shall  
8 specifically identify, by offense committed, in all appropriate  
9 official records of a pupil each suspension or expulsion of that  
10 pupil for the commission of any of the offenses set forth in  
11 ~~subdivisions (a) to (e), inclusive, of Section 48900, in Section~~  
12 ~~48900.2, in Section 48900.3, in Section 48900.4, 48900.7, or in~~  
13 ~~paragraphs (1) to (5), inclusive, of subdivision (a) of, or~~  
14 ~~paragraphs (1) to (4), inclusive, of subdivision (c) of, Section~~  
15 ~~48915.~~

16 SEC. 9.—

17 SEC. 35. Section 48980 of the Education Code is amended to  
18 read:

19 48980. (a) At the beginning of the first semester or quarter of  
20 the regular school term, the governing board of each school  
21 district shall notify the parent or guardian of a minor pupil  
22 regarding the right or responsibility of the parent or guardian  
23 under Sections 35291, 46014, 48205, 48207, 48208, 49403,  
24 49423, 49451, 49472, and 51938 and Chapter 2.3 (commencing  
25 with Section 32255) of Part 19.

26 (b) The notification also shall advise the parent or guardian of  
27 the availability of individualized instruction as prescribed by  
28 Section 48206.3, and of the program prescribed by Article 9  
29 (commencing with Section 49510) of Chapter 9.

30 (c) The notification shall also advise the parents and guardians  
31 of all pupils attending a school within the district of the schedule  
32 of minimum days and pupil-free staff development days, and if  
33 any minimum or pupil-free staff development days are scheduled  
34 thereafter, the governing board shall notify parents and guardians  
35 of the affected pupils as early as possible, but not later than one  
36 month before the scheduled minimum or pupil-free day.

37 (d) The notification also may advise the parent or guardian of  
38 the importance of investing for future college or university  
39 education for their children and of considering appropriate

1 investment options including, but not limited to, United States  
2 Savings Bonds.

3 (e) Commencing with the 2000-01 school year, and each  
4 school year thereafter, the notification shall advise the parent or  
5 guardian of the pupil that, commencing with the 2003-04 school  
6 year, and each school year thereafter, each pupil completing 12th  
7 grade will be required to successfully pass the high school exit  
8 examination administered pursuant to Chapter 8 (commencing  
9 with Section 60850) of Part 33. The notification shall include, at  
10 a minimum, the date of the examination, the requirements for  
11 passing the examination, and shall inform the parents and  
12 guardians regarding the consequences of not passing the  
13 examination and shall inform parents and guardians that passing  
14 the examination is a condition of graduation.

15 (f) Each school district that elects to provide a fingerprinting  
16 program pursuant to Article 10 (commencing with Section  
17 32390) shall inform parents or guardians of the program as  
18 specified in Section 32390.

19 (g) The notification shall also include a copy of the district's  
20 written policy on sexual harassment established pursuant to  
21 Section 212.6, as it relates to pupils.

22 (h) The notification shall advise the parent or guardian of all  
23 existing statutory attendance options and local attendance options  
24 available in the school district. That notification shall include all  
25 options for meeting residency requirements for school  
26 attendance, programmatic options offered within the local  
27 attendance areas, and any special programmatic options available  
28 on both an interdistrict and intradistrict basis. That notification  
29 shall also include a description of all options, a description of the  
30 procedure for application for alternative attendance areas or  
31 programs, an application form from the district for requesting a  
32 change of attendance, and a description of the appeals process  
33 available, if any, for a parent or guardian denied a change of  
34 attendance. The notification shall also include an explanation of  
35 the existing statutory attendance options including, but not  
36 limited to, those available under Section 35160.5, Chapter 5  
37 (commencing with Section 46600) of Part 26, subdivision (f) of  
38 Section 48204, and Article 1.5 (commencing with Section  
39 48209) of Chapter 2 of Part 27. The department shall produce

1 this portion of the notification and shall distribute it to all school  
2 districts.

3 (i) It is the intent of the Legislature that the governing board of  
4 each school district annually review the enrollment options  
5 available to the pupils within their districts and that the school  
6 districts strive to make available enrollment options that meet the  
7 diverse needs, potential, and interests of California's pupils.

8 (j) The notification shall advise the parent or guardian that no  
9 pupil may have his or her grade reduced or lose academic credit  
10 for any absence or absences excused pursuant to Section 48205 if  
11 missed assignments and tests that can reasonably be provided are  
12 satisfactorily completed within a reasonable period of time, and  
13 shall include the full text of Section 48205.

14 (k) The notification shall advise the parent or guardian of the  
15 availability of state funds to cover the costs of advanced  
16 placement examination fees pursuant to Section 52244.

17 ~~SEC. 10.—~~

18 *SEC. 36.* Section 49423 of the Education Code is amended to  
19 read:

20 49423. (a) Notwithstanding Section 49422, any pupil who is  
21 required to take, during the regular schoolday, medication  
22 prescribed for him or her by a physician or surgeon, may be  
23 assisted by the school nurse or other designated school personnel  
24 or may carry and self-administer prescription auto-injectable  
25 epinephrine if the school district receives the appropriate written  
26 statements identified in subdivision (b).

27 (b) (1) In order for a pupil to be assisted by a school nurse or  
28 other designated school personnel pursuant to subdivision (a), the  
29 school district shall obtain both a written statement from the  
30 physician detailing the name of the medication, method, amount,  
31 and time schedules by which the medication is to be taken and a  
32 written statement from the parent, foster parent, or guardian of  
33 the pupil indicating the desire that the school district assist the  
34 pupil in the matters set forth in the statement of the physician.

35 (2) In order for a pupil to carry and self-administer  
36 prescription auto-injectable epinephrine pursuant to subdivision  
37 (a), the school district shall obtain both a written statement from  
38 the physician or surgeon detailing the name of the medication,  
39 method, amount, and time schedules by which the medication is  
40 to be taken, and confirming that the pupil is able to

1 self-administer auto-injectable epinephrine, and a written  
2 statement from the parent, foster parent, or guardian of the pupil  
3 consenting to the self-administration, providing a release for the  
4 school nurse or other designated school personnel to consult with  
5 the health care provider of the pupil regarding any questions that  
6 may arise with regard to the medication, and releasing the school  
7 district and school personnel from civil liability if the  
8 self-administering pupil suffers an adverse reaction as a result of  
9 self-administering medication pursuant to this paragraph.

10 (3) The written statements specified in this subdivision shall  
11 be provided at least annually and more frequently if the  
12 medication, dosage, frequency of administration, or reason for  
13 administration changes.

14 (c) A pupil may be subject to disciplinary action pursuant to  
15 Section 48900 if that pupil uses auto-injectable epinephrine in a  
16 manner other than as prescribed.

17 ~~SEC. 11.—~~

18 *SEC. 37.* Section 49423.1 of the Education Code is amended  
19 to read:

20 49423.1. (a) Notwithstanding Section 49422, any pupil who  
21 is required to take, during the regular schoolday, medication  
22 prescribed for him or her by a physician and surgeon, may be  
23 assisted by the school nurse or other designated school personnel  
24 or may carry and self-administer inhaled asthma medication if  
25 the school district receives the appropriate written statements  
26 specified in subdivision (b).

27 (b) (1) In order for a pupil to be assisted by a school nurse or  
28 other designated school personnel pursuant to subdivision (a), the  
29 school district shall obtain both a written statement from the  
30 physician or surgeon detailing the name of the medication,  
31 method, amount, and time schedules by which the medication is  
32 to be taken and a written statement from the parent, foster parent,  
33 or guardian of the pupil requesting that the school district assist  
34 the pupil in the matters set forth in the statement of the physician  
35 or surgeon.

36 (2) In order for a pupil to carry and self-administer  
37 prescription inhaled asthma medication pursuant to subdivision  
38 (a), the school district shall obtain both a written statement from  
39 the physician or surgeon detailing the name of the medication,  
40 method, amount, and time schedules by which the medication is

1 to be taken, and confirming that the pupil is able to  
2 self-administer inhaled asthma medication, and a written  
3 statement from the parent, foster parent, or guardian of the pupil  
4 consenting to the self-administration, providing a release for the  
5 school nurse or other designated school personnel to consult with  
6 the health care provider of the pupil regarding any questions that  
7 may arise with regard to the medication, and releasing the school  
8 district and school personnel from civil liability if the  
9 self-administering pupil suffers an adverse reaction by taking  
10 medication pursuant to this section.

11 (3) The written statements specified in this subdivision shall  
12 be provided at least annually and more frequently if the  
13 medication, dosage, frequency of administration, or reason for  
14 administration changes.

15 (c) A pupil may be subject to disciplinary action pursuant to  
16 Section 48900 if that pupil uses inhaled asthma medication in a  
17 manner other than as prescribed.

18 *SEC. 38. Section 51226.1 of the Education Code is amended*  
19 *to read:*

20 51226.1. (a) Upon adoption of the model curriculum  
21 standards developed pursuant to Section 51226, the  
22 Superintendent of Public Instruction shall develop a curriculum  
23 framework consistent with criteria set forth in subdivision (a) of  
24 Section 60005 that offers a blueprint for implementation of  
25 career and technical education. The framework shall be adopted  
26 no later than ~~June 1, 2006~~ April 1, 2007.

27 (b) In developing the framework, the ~~superintendent~~  
28 *Superintendent* shall work in consultation and coordination with  
29 an advisory group, including, but not limited to, representatives  
30 from all of the following:

- 31 (1) Business and industry.
- 32 (2) Labor.
- 33 (3) The California Community Colleges.
- 34 (4) The University of California.
- 35 (5) The California State University.
- 36 (6) Classroom teachers.
- 37 (7) School administrators.
- 38 (8) Pupils.
- 39 (9) Parents and guardians.
- 40 (10) Representatives of the Legislature.

1     (11) ~~The State Department of Education~~ *department*.

2     (12) The Labor and Workforce Development Agency.

3     (c) In convening the membership of the advisory group set  
4 forth in subdivision (b), the ~~superintendent~~ *Superintendent* is  
5 encouraged to seek representation broadly reflective of the state  
6 population.

7     (d) Costs incurred by the superintendent in complying with  
8 this section shall be covered, to the extent permitted by federal  
9 law, by the state administrative and leadership funds available  
10 pursuant to the Carl D. Perkins Vocational and Technical  
11 Education Act of 1998 (20 U.S.C. Sec. 2301).

12     (e) In developing the framework, the ~~superintendent~~  
13 *Superintendent* shall consider developing frameworks for various  
14 career pathways that will prepare pupils for both career entry and  
15 matriculation into postsecondary education.

16     (f) Upon completion of the framework, the advisory group is  
17 encouraged to identify career technical education courses that  
18 meet state-adopted academic content standards and that satisfy  
19 high school graduation requirements and admissions  
20 requirements of the University of California and the California  
21 State University, and to determine the extent to which local  
22 educational agencies accept credit earned for the completion of  
23 those courses, in lieu of other courses of study.

24     (g) The adoption of the framework developed and adopted  
25 pursuant to this section by a local educational agency shall be  
26 voluntary.

27     *SEC. 39. Section 52247 of the Education Code is repealed.*

28     ~~52247. (a) The Advanced Placement Challenge Grant~~  
29 ~~Program is hereby established to assist California public high~~  
30 ~~schools in providing access to rigorous, academically~~  
31 ~~challenging, college-level courses to interested and prepared~~  
32 ~~pupils in the state.~~

33     ~~(b) Commencing in the 2000-01 fiscal year, the~~  
34 ~~Superintendent of Public Instruction shall administer the~~  
35 ~~Advanced Placement Challenge Grant Program. A school district~~  
36 ~~may apply on behalf of eligible schools in its jurisdiction to the~~  
37 ~~Superintendent of Public Instruction for the award of a grant~~  
38 ~~pursuant to this section.~~



1 ~~(e) Only a high school meeting the following criteria during~~  
2 ~~the 1999-2000 academic year is eligible to receive funding~~  
3 ~~pursuant to this section:~~

4 ~~(1) Schools offering three or fewer advanced placement~~  
5 ~~courses, or in the case of multitrack schools, three or fewer~~  
6 ~~advanced placement courses per track. Schools meeting this~~  
7 ~~criteria shall have first priority for funding.~~

8 ~~(2) Schools not offering advanced placement courses in either~~  
9 ~~mathematics or science. Schools meeting this criteria shall have~~  
10 ~~second priority for funding.~~

11 ~~(3) Schools with low college participation rates. Schools~~  
12 ~~meeting this criteria shall have third priority for funding.~~

13 ~~(4) Schools with a majority of pupils who qualify for free or~~  
14 ~~reduced price meals. Schools meeting this criteria shall have~~  
15 ~~fourth priority for funding.~~

16 ~~(d) All schools meeting a higher priority criteria shall receive~~  
17 ~~funding before any school meeting a lower priority criteria may~~  
18 ~~receive funding, subject to a maximum of 550 high schools~~  
19 ~~participating in this program.~~

20 ~~(e) In the 2000-01 fiscal year, the Superintendent of Public~~  
21 ~~Instruction shall award nonrenewable four-year grants in the~~  
22 ~~annual amounts of thirty thousand dollars (\$30,000), twenty-two~~  
23 ~~thousand five hundred dollars (\$22,500), fifteen thousand dollars~~  
24 ~~(\$15,000), and seven thousand five hundred dollars (\$7,500)~~  
25 ~~respectively, on a competitive basis to no more than 550 public~~  
26 ~~high schools. The Superintendent of Public Instruction shall~~  
27 ~~notify school districts and county offices of education of the~~  
28 ~~availability of these grant funds, which are intended to increase a~~  
29 ~~recipient school's capacity to offer advanced placement courses.~~

30 ~~(f) In addition to any funding received pursuant to this section,~~  
31 ~~a school district that qualifies for first priority funding pursuant~~  
32 ~~to paragraph (1) of subdivision (c) may also qualify for first~~  
33 ~~priority grants under the Education Technology Grant Program~~  
34 ~~(Chapter 8.6 (commencing with Section 52270)) in order to~~  
35 ~~provide access to online advanced placement courses for pupils,~~  
36 ~~upon enactment of Assembly Bill 2882 of the 1999-2000~~  
37 ~~Regular Session.~~

38 ~~(g) The grants shall be used exclusively for the following~~  
39 ~~activities:~~

1 ~~(1) Establishing, training, and supporting vertical teams of~~  
2 ~~teachers, as defined in this section.~~

3 ~~(2) Providing an incentive for schools to offer additional~~  
4 ~~advanced placement courses by purchasing instructional~~  
5 ~~materials and equipment for those courses.~~

6 ~~(3) Tutoring and instructional support services for pupils, both~~  
7 ~~in preparation for and during, advanced placement coursework.~~

8 ~~(h) As a condition of receiving funds pursuant to this section,~~  
9 ~~a high school shall do all of the following:~~

10 ~~(1) Design and implement a plan that will result in its pupils~~  
11 ~~having access, no later than the beginning of the 2001-02~~  
12 ~~academic year, to a minimum of four advanced placement~~  
13 ~~courses in core curriculum areas. A high school participating in~~  
14 ~~this program shall commit to increase to 50 percent or more the~~  
15 ~~number of pupils enrolled in each advanced placement course~~  
16 ~~taking the advanced placement examination or to a 10 percent~~  
17 ~~increase in the number of advanced placement test takers in each~~  
18 ~~course from the previous year, whichever is greater.~~

19 ~~(2) Make every effort to ensure that its pupils and their parents~~  
20 ~~or guardians are informed about both of the following:~~

21 ~~(A) The school's efforts to provide pupil access to advanced~~  
22 ~~placement courses.~~

23 ~~(B) The use of technology by the school to provide pupil~~  
24 ~~access to advanced placement courses.~~

25 ~~(3) Utilize tutoring and support services such as those~~  
26 ~~provided under the Advancement Via Individual Determination~~  
27 ~~program and encourage pupils to utilize distance learning options~~  
28 ~~for advanced placement course offerings. A participating~~  
29 ~~school's plan should include a variety of strategies, including, but~~  
30 ~~not limited to, those specified above to increase access to~~  
31 ~~advanced placement courses.~~

32 ~~(4) To the extent possible, include feeder middle schools in~~  
33 ~~developing a pre-advanced placement program.~~

34 ~~(5) Pre-advanced placement programs shall include, but not be~~  
35 ~~limited to, professional development of teachers and school~~  
36 ~~counselors, vertical teams, curriculum development focused on~~  
37 ~~skills and knowledge needed for advanced placement readiness,~~  
38 ~~academic support for advanced placement pupils, and~~  
39 ~~notification to its pupils and their parents about the availability~~  
40 ~~and importance of advanced placement courses.~~

1 ~~(i) The Superintendent of Public Instruction shall contract for~~  
2 ~~an independent evaluation of the effectiveness of the Advanced~~  
3 ~~Placement Challenge Grant Program and report its findings to the~~  
4 ~~Governor and the Legislature on or before August 1, 2002.~~

5 ~~(j) For purposes of this section, “vertical team” means a group~~  
6 ~~of educators from different grade levels in a given discipline who~~  
7 ~~work cooperatively to develop and implement a vertically~~  
8 ~~aligned program aimed at helping pupils acquire the academic~~  
9 ~~skills necessary to prepare them to successfully undertake~~  
10 ~~advanced placement coursework.~~

11 ~~(k) Nothing in this section shall be construed to require any~~  
12 ~~action or expenditure on the part of a school district in excess of~~  
13 ~~the amount of funding provided for the purposes of this program~~  
14 ~~or that would require reimbursement by the Commission on State~~  
15 ~~Mandates pursuant to Section 6 of Article XIII B of the~~  
16 ~~California Constitution and Part 7 (commencing with Section~~  
17 ~~17500) of Division 4 of Title 2 of the Government Code.~~

18 ~~(l) Funds provided for the purposes of this section shall~~  
19 ~~supplement existing programs or services provided at a~~  
20 ~~qualifying high school that are consistent with this section and~~  
21 ~~may not be used to supplant funding for those programs and~~  
22 ~~services.~~

23 ~~(m) For purposes of this section, high schools receiving grants~~  
24 ~~pursuant to this section may utilize the services of county offices~~  
25 ~~of education, including, but not limited to, services for providing~~  
26 ~~access to advanced placement courses to small, rural schools.~~

27 ~~SEC. 12.—~~

28 ~~SEC. 40.~~ Section 52520 of the Education Code is amended to  
29 read:

30 52520. (a) Every vocational or occupational training program  
31 for adults offered by any high school district or unified school  
32 district shall be reviewed every two years by the governing board  
33 to assure that each such program does all of the following:

- 34 (1) Meets a documented labor market demand.  
35 (2) Does not represent unnecessary duplication of other  
36 manpower training programs in the area.  
37 (3) Is of demonstrated effectiveness as measured by the  
38 employment and completion success of its students.

1 (b) Any program that does not meet the requirements of  
2 subdivision (a) and the standards promulgated by the governing  
3 board shall be terminated within one year.

4 (c) The review process required by this section shall include  
5 the review and comments by the local workforce Investment  
6 board established pursuant to the Workforce Investment Act of  
7 1998 (29 U.S.C. Sec. 2801 et seq.), and pursuant to (Division 8  
8 (commencing with Section 15000) of the Unemployment  
9 Insurance Code), which review and comments shall occur prior  
10 to any decision by the appropriate governing body.

11 ~~SEC. 13.—~~

12 *SEC. 41.* Section 52570 of the Education Code is amended to  
13 read:

14 52570. The governing board of any school district  
15 maintaining secondary schools or the county superintendent of  
16 schools, shall have the power, with the approval of the  
17 Department of Education, to establish special classes for adults  
18 designed to serve the educational needs of adults with  
19 disabilities. These classes shall be directed to providing  
20 instruction in civic, vocational, literary, homemaking, technical,  
21 and general education and shall conform to standards of  
22 attendance, curriculum, and administration established by the  
23 department. Attendance of adults with disabilities in such classes  
24 established by the county superintendent of schools shall be  
25 included for purposes of apportionments to the county school  
26 service fund.

27 ~~SEC. 14.—~~

28 *SEC. 42.* Section 52571 of the Education Code is amended to  
29 read:

30 52571. Special classes for adults with disabilities may be  
31 conducted under the direction of the governing board of the  
32 school district in workshop and training facilities provided by  
33 nonprofit organizations, or in public school facilities. These  
34 facilities may include those where part-time paid work education  
35 and training is conducted and where less than the state minimum  
36 wage is paid.

37 ~~SEC. 15.—~~

38 *SEC. 43.* Section 52572 of the Education Code is amended to  
39 read:

52572. The governing board of any school district or the county superintendent of schools authorized by this article to establish special classes for adults designed to serve the educational needs of adults with disabilities may contract for the providing of such classes by any adjacent high school district or unified school district, subject to the approval of the Superintendent. For purposes of apportionments, the average daily attendance in classes conducted pursuant to the contract shall accrue to and be reported by the district in which the student resides. Any contract entered into pursuant to this section shall be for a term of not to exceed one year but may be renewed or revised and renewed annually.

*SEC. 44. Section 54749 of the Education Code is amended to read:*

54749. (a) For the 2000–01 fiscal year and each fiscal year thereafter, a school district or county superintendent of schools participating in Cal-SAFE is eligible for state funding from funds appropriated for services provided for the purposes of the program as follows:

(1) A support services allowance of two thousand two hundred thirty-seven dollars (\$2,237) for each unit of average daily attendance generated by each pupil who has completed the intake process pursuant to subdivision (a) of Section 54746 and is receiving services pursuant to subdivision (b) of Section 54746. This allowance shall be adjusted annually by the inflation factor set forth in subdivision (b) of Section 42238.1. In no event shall more than one support service allowance be generated by any pupil concurrently enrolled in more than one educational program.

(A) A support services allowance may not be claimed for units of average daily attendance reported pursuant to the following:

(i) Subdivision (b) of Section 1982 for pupils attending county community schools operated pursuant to Chapter 6.5 of Part 2 (commencing with Section 1980).

(ii) Pupils attending juvenile court schools operated pursuant to Article 2.5 (commencing with Section 48645) of Chapter 4 of Part 27.

(iii) Pupils attending community day schools operated pursuant to Article 3 (commencing with Section 48660) of Chapter 4 of Part 27.

(iv) Pupils attending a county operated Cal-SAFE program pursuant to this article whose attendance is reported pursuant to Section 2551.3.

(B) A support services allowance may not be used to supplant average daily attendance and revenue limit funding provided pursuant to paragraph (2) for the support of educational programs that Cal-SAFE program pupils attend.

(2) Average daily attendance and revenue limit funding for pupils receiving services in the Cal-SAFE program shall be computed pursuant to provisions and regulations applicable to the educational program or programs that each pupil attends, except as provided in paragraph (3).

(3) For attendance not claimed pursuant to paragraph (2), a county office of education may claim the statewide average revenue limit per unit of average daily attendance for high school districts, payable from Section A of the State School Fund, for the attendance of pupils receiving services in the Cal-SAFE program, provided that no other revenue limit funding is claimed for the same pupil and pupil attendance of no less than 240 minutes per day and is computed and maintained pursuant to Section 46300.

(4) Except as provided in subdivision (c) of Section 54749.5, operators of Cal-SAFE programs shall be reimbursed in accordance with the amount specified in subdivision (b) of Section 8265 and the amounts specified in subdivisions (a) and (b) of Section 8265.5 for each child receiving services pursuant to the Cal-SAFE program who is the child of teen parents enrolled in the Cal-SAFE program. To be eligible for funding pursuant to this paragraph, the operational days of child care and development programs are only those necessary to provide child care services to children of pupils participating in Cal-SAFE.

(5) Notwithstanding paragraph (1), pupils for whom attendance is reported pursuant to subdivision (b) of Section 1982, pupils attending juvenile court schools, and pupils attending community day schools may complete the intake process for the Cal-SAFE program and, if the intake process is completed, shall receive services pursuant to subdivision (b) of Section 54746. The children of pupils receiving services in the Cal-SAFE program pursuant to subdivision (b) of Section 54746 and attending juvenile court schools, county community schools,

1 or community day schools are eligible for funding pursuant to  
2 paragraph (4) and no other provisions of this section.

3 (b) Funds allocated pursuant to paragraph (1) of subdivision  
4 (a) shall be ~~maintained in a separate account~~ *accounted for*  
5 *separately* and shall be expended only to provide the supportive  
6 services enumerated in subdivision (b) of Section 54746, to  
7 provide in-service training as specified in subdivision (d) of  
8 Section 54746, and for the expenditures enumerated in  
9 subdivision (d) of this section.

10 (c) Funds allocated pursuant to paragraph (4) of subdivision  
11 (a) shall be ~~maintained in a separate account~~ *accounted for*  
12 *separately* and shall be expended only to provide  
13 developmentally appropriate child care and development services  
14 pursuant to subdivision (c) of Section 54746 and staff  
15 development of child development program staff pursuant to  
16 subdivision (d) of Section 54746 for children of teen parents  
17 enrolled in the Cal-SAFE program for the purpose of promoting  
18 the children's development comparable to age norms, access to  
19 health and preventive services, and enhanced school readiness.

20 (d) Funds generated pursuant to Section 2551.3, subdivision  
21 (b) of Section 54749.5, and this section shall be ~~maintained in a~~  
22 ~~separate account~~ *accounted for separately* and shall be expended  
23 only to provide the services enumerated in Section 54746 and the  
24 following expenditures as defined by the California State School  
25 Accounting Manual:

26 (1) Expenditures defined as direct costs of instructional  
27 programs.

28 (2) Expenditures defined as documented direct support costs.

29 (3) Expenditures defined as allocated direct support costs.

30 (4) Expenditures for indirect charges.

31 (5) Expenditures defined as facility costs, including the costs  
32 of renting, leasing, lease purchase, remodeling, or improving  
33 buildings.

34 (e) Indirect costs may not exceed the lesser of the approved  
35 indirect cost rate or 10 percent.

36 (f) Expenditures that represent contract payments to  
37 community-based organizations and other governmental agencies  
38 pursuant to paragraph (10) of subdivision (b) of Section 54745  
39 for the operation of a Cal-SAFE program shall be included in the  
40 Cal-SAFE program account.

1 (g) To the extent permitted by federal law, any funding made  
2 available to a school district or county superintendent of schools  
3 is subject to all of the following conditions:

4 (1) The program is open to all eligible pupils without regard to  
5 any pupil's religious beliefs or any other factor related to  
6 religion.

7 (2) No religious instruction is included in the program.

8 (3) The space where the program is operated is not used in any  
9 manner to foster religion during the time used for operation of  
10 the program.

11 (h) A school district or county superintendent of schools  
12 implementing a Cal-SAFE program may establish a claims  
13 process to recover federal funds available for any services  
14 provided that are Medi-Cal eligible.

15 (i) For purposes of serving pupils enrolled in the Cal-SAFE  
16 program in a summer school program or enrolled in a school  
17 program operating more than 180 days, eligibility for child care  
18 services pursuant to subdivision (c) of Section 54746 shall be  
19 determined by the parent's hours of enrollment and shall be for  
20 only those hours necessary to further the completion of the  
21 parent's educational program.

22 (j) To meet startup costs for the opening of child care and  
23 development sites, as defined in subdivision (ab) of Section  
24 8208, and applicable regulations, a school district or county  
25 office of education may apply for a one-time 15-percent service  
26 level exemption within the amount appropriated in the annual  
27 Budget Act for the purposes of paragraph (4) of subdivision (a)  
28 for each site meeting the criteria set forth in subdivision (ab) of  
29 Section 8208. To the extent that Budget Act funding is  
30 insufficient to cover the full costs of Cal-SAFE child care,  
31 reimbursements to all participating programs shall be reduced on  
32 a pro rata basis. A school district or county office of education  
33 shall submit claims pursuant to this subdivision with other claims  
34 submitted pursuant to this section. Funding provided for startup  
35 costs shall be utilized for approvable startup costs enumerated in  
36 subdivision (a) of Section 8275.

37 (k) To meet costs for the renovation, repair, or improvement of  
38 an existing building to make the building suitable for licensure  
39 for child care and development services and for the purchase of  
40 new relocatable child care facilities for lease to school districts



1 and contracting agencies that provide child care and development  
2 services, a school district or county office of education that  
3 provides child care pursuant to this article may apply for and  
4 receive funding pursuant to Section 8278.3.

5 (l) Notwithstanding any other provision of this article, the  
6 implementation of this article is contingent upon appropriations  
7 in the annual Budget Act for the purpose of its administration and  
8 evaluation by the ~~State Department of Education~~ department.

9 (m) Notwithstanding any other law, a charter school may  
10 apply for funding pursuant to this article and shall meet the  
11 requirements of this article to be eligible for funding pursuant to  
12 this section.

13 *SEC. 45. Section 56195.7 of the Education Code is amended*  
14 *to read:*

15 56195.7. In addition to the provisions required to be included  
16 in the local plan pursuant to Chapter 3 (commencing with  
17 Section 56205), each special education local plan area that  
18 submits a local plan pursuant to subdivision (b) of Section  
19 56195.1 and each county office that submits a local plan pursuant  
20 to subdivision (c) of Section 56195.1 shall develop written  
21 agreements to be entered into by entities participating in the plan.  
22 The agreements need not be submitted to the superintendent.  
23 These agreements shall include, but not be limited to, the  
24 following:

25 (a) A coordinated identification, referral, and placement  
26 system pursuant to Chapter 4 (commencing with Section 56300).

27 (b) Procedural safeguards pursuant to Chapter 5 (commencing  
28 with Section 56500).

29 (c) Regionalized services to local programs, including, but not  
30 limited to, all of the following:

31 (1) Program specialist service pursuant to Section 56368.

32 (2) Personnel development, including training for staff,  
33 parents, and members of the community advisory committee  
34 pursuant to Article 3 (commencing with Section 56240).

35 (3) Evaluation pursuant to Chapter 6 (commencing with  
36 Section 56600).

37 (4) Data collection and development of management  
38 information systems.

39 (5) Curriculum development.

1 (6) Provision for ongoing review of programs conducted, and  
2 procedures utilized, under the local plan, and a mechanism for  
3 correcting any identified problem.

4 (d) A description of the process for coordinating services with  
5 other local public agencies that are funded to serve individuals  
6 with exceptional needs.

7 (e) A description of the process for coordinating and providing  
8 services to individuals with exceptional needs placed in public  
9 hospitals, proprietary hospitals, and other residential medical  
10 facilities pursuant to Article 5.5 (commencing with Section  
11 56167) of Chapter 2.

12 (f) A description of the process for coordinating and providing  
13 services to individuals with exceptional needs placed in licensed  
14 children's institutions and foster family homes pursuant to  
15 Article 5 (commencing with Section 56155) of Chapter 2.

16 (g) A description of the process for coordinating and providing  
17 services to individuals with exceptional needs placed in juvenile  
18 court schools or county community schools pursuant to Section  
19 56150.

20 (h) A budget for special education and related services that  
21 shall be maintained by the special education local plan area and  
22 be open to the public covering the entities providing programs or  
23 services within the special education local plan area. The budget  
24 language shall be presented in a form that is understandable by  
25 the general public. For each local educational agency or other  
26 entity providing a program or service, the budget, at minimum,  
27 shall display the following:

28 (1) Expenditures by object code and classification for the  
29 previous fiscal year and the budget by the same object code  
30 classification for the current fiscal year.

31 (2) The number and type of certificated instructional and  
32 support personnel, including the type of class setting to which  
33 they are assigned, if appropriate.

34 (3) The number of instructional aides and other qualified  
35 classified personnel.

36 (4) The number of enrolled individuals with exceptional needs  
37 receiving each type of service provided.

38 (i) For multidistrict special education local plan areas, a  
39 description of the policymaking process that shall include a  
40 description of the local method used to distribute state and

1 federal funds among the local educational agencies in the special  
2 education local plan area. The local method to distribute funds  
3 shall be approved according to the policymaking process  
4 established consistent with subdivision (f) of Section 56001 and  
5 pursuant to paragraph (3) of subdivision (b) of Section 56205 ~~or~~  
6 ~~subdivision (c) of Section 56200, whichever is appropriate.~~

7 (j) (1) In accordance with Section 1413 of Title 20 of the  
8 United States Code, each single-district special education local  
9 plan area established pursuant to Section 56195.1 shall have a  
10 written procedure for the ongoing review of programs conducted,  
11 and procedures utilized pursuant to Section 56205, under the  
12 local plan as defined pursuant to Section 56027 and administered  
13 pursuant to Section 56195, and a mechanism for correcting any  
14 identified problem pursuant to paragraph (6) of subdivision (c).

15 (2) Multidistrict special education local plan areas established  
16 pursuant to subdivision (b) of Section 56195.1 and a district or  
17 districts joined with the county office in accordance with  
18 subdivision (c) of Section 56195.1 shall have a written agreement  
19 entered into by entities participating in the local plan that  
20 includes a provision for ongoing review of programs conducted,  
21 and procedures utilized, under the local plan, and a mechanism  
22 for correcting any identified problem pursuant to paragraph (6) of  
23 subdivision (c).

24 (3) The written procedure referenced in paragraph (1) and the  
25 written agreement referenced in paragraph (2) need not be  
26 submitted to the superintendent but shall be available upon  
27 request by the department.

28 *SEC. 46. Section 56362.7 of the Education Code is amended*  
29 *to read:*

30 56362.7. (a) The Legislature recognizes the need for  
31 specially trained professionals to assess and serve pupils of  
32 limited-English proficiency. This is particularly true of pupils  
33 with exceptional needs or pupils with suspected ~~handicaps~~  
34 *disabilities.*

35 (b) The commission shall develop a bilingual-crosscultural  
36 certificate of assessment competence for those professionals who  
37 may participate in assessments for placements in special  
38 education programs. The certificate shall be issued to holders of  
39 appropriate credentials, certificates, or authorizations who

1 demonstrate, by written and oral examination, all of the  
2 following:

3 (1) That the person is competent in both the oral and written  
4 skills of a language other than English.

5 (2) That the person has both the knowledge and understanding  
6 of the cultural and historical heritage of the  
7 limited-English-proficient individuals to be served.

8 (3) That the person has the ability to perform the assessment  
9 functions the candidate is certified or authorized to perform in  
10 English and in a language other than English.

11 (4) That the person has knowledge of the use of instruments  
12 and other assessment techniques appropriate to evaluate  
13 limited-English-proficient individuals with exceptional needs and  
14 ability to develop appropriate data, instructional strategies,  
15 ~~individual educational plans~~ *individualized education programs*,  
16 and evaluations.

17 (c) Certificates of bilingual-crosscultural competence for  
18 special education professionals who implement individual  
19 education plans requiring bilingual services shall be granted by  
20 the commission pursuant to Section 44253.7.

21 (d) It is not the intent of the Legislature in enacting this section  
22 that possession of any certificate established by this section be a  
23 state-mandated requirement for employment or continued  
24 employment. It is the intent that this is a matter for local  
25 educational agencies to determine.

26 *SEC. 47. Section 56836.07 is added to the Education Code, to*  
27 *read:*

28 *56836.07. For the 2004-05 fiscal year and each fiscal year*  
29 *thereafter for which there is an appropriation in the annual*  
30 *Budget Act for this purpose, the Superintendent shall allocate*  
31 *funds per unit of average daily attendance reported for the*  
32 *special education local plan area to a special education local*  
33 *plan area for the purposes of Section 56331. For the 2004-05*  
34 *fiscal year and each fiscal year thereafter for which there is an*  
35 *appropriation in the annual Budget Act for this purpose, the*  
36 *Superintendent shall determine a proportionate share, consistent*  
37 *with existing law, to the Los Angeles County Juvenile Court and*  
38 *Community School/Division of Alternative Education Special*  
39 *Education Local Plan Area based on the ratio of the amount per*  
40 *unit of average daily attendance determined pursuant to Section*

1 56836.10 to the amount of the statewide target per unit of  
2 average daily attendance determined pursuant to Section  
3 56836.11 for the 2004-05 fiscal year, and each fiscal year  
4 thereafter.

5 SEC. 48. Section 7572.5 of the Government Code is amended  
6 to read:

7 7572.5. (a) When an assessment is conducted pursuant to  
8 Article 2 (commencing with Section 56320) of Chapter 4 of Part  
9 30 of Division 4 of the Education Code, which determines that a  
10 child is seriously emotionally disturbed, as defined in Section  
11 ~~300.5~~ 300.7 of Title 34 of the Code of Federal Regulations, and  
12 any member of the individualized education program team  
13 recommends residential placement based on relevant assessment  
14 information, the individualized education program team shall be  
15 expanded to include a representative of the county mental health  
16 department.

17 (b) The expanded individualized education program team shall  
18 review the assessment and determine whether:

19 (1) The child's needs can reasonably be met through any  
20 combination of nonresidential services, preventing the need for  
21 out-of-home care.

22 (2) Residential care is necessary for the child to benefit from  
23 educational services.

24 (3) Residential services are available which address the needs  
25 identified in the assessment and which will ameliorate the  
26 conditions leading to the seriously emotionally disturbed  
27 designation.

28 (c) If the review required in subdivision (b) results in an  
29 individualized education program which calls for residential  
30 placement, the individualized education program shall include all  
31 the items outlined in Section 56345 of the Education Code, and  
32 shall also include:

33 (1) Designation of the county mental health department as lead  
34 case manager. Lead case management responsibility may be  
35 delegated to the county welfare department by agreement  
36 between the county welfare department and the designated  
37 mental health department. The mental health department shall  
38 retain financial responsibility for provision of case management  
39 services.

(2) Provision for a review of the case progress, the continuing need for out-of-home placement, the extent of compliance with the individualized education program, and progress toward alleviating the need for out-of-home care, by the full individualized education program team at least every six months.

(3) Identification of an appropriate residential facility for placement with the assistance of the county welfare department as necessary.

~~SEC. 16.—~~

*SEC. 49.* Chapter 1.2 (commencing with Section 628) of Title 15 of Part 1 of the Penal Code is repealed.

*SEC. 50.* *Item 6110-183-0890 of Section 2.00 of Chapter 208 of the Statutes of 2004 is amended to read:*

*6110-183-0890—For local assistance, Department of Education, Instructional Support--Safe and Drug Free Schools and Communities Act of 1994 (Public Law 103-382), payable from the Federal Trust Fund ..... 52,939,000*

*Schedule:*

*(1) 20.10.045-Health and Physical Education, Drug Free Schools ..... 52,939,000*

*Provisions:*

- 1. Local education agencies shall give priority in the expenditure of the funds appropriated by this item to create comprehensive drug and violence prevention programs that promote school safety, reduce the use of drugs, and create learning environments that are free of alcohol and guns and that support academic achievement for all pupils. In addition to preventing drug and alcohol use, prevention programs will respond to the crisis of violence in our schools by addressing the need to prevent serious crime, violence, and discipline problems. The Superintendent of Public Instruction shall (a) notify local education agencies of this policy, and (b) incorporate the policy into the department's compliance review procedures.*

- 1       2. *Of the funds appropriated in this item, \$1,526,000 is*  
2       *available for one-time grants for drug and violence*  
3       *prevention and intervention services for entitlements*  
4       *earned by a local educational agency in the 2003-04*  
5       *fiscal year.*

6  
7       *SEC. 51. With respect to Section 47 of this act, the*  
8       *Legislature finds and declares that a special law is necessary*  
9       *and that a general law cannot be made applicable within the*  
10      *meaning of Section 16 of Article IV of the California Constitution*  
11      *because of the unique circumstances of the Los Angeles County*  
12      *Juvenile Court and Community School/Division of Alternative*  
13      *Education Special Education Local Plan Area. The facts*  
14      *constituting the special circumstances are the larger pupil*  
15      *population and unique staffing and pupil needs.*

16      *SEC. 52. If the Commission on State Mandates determines*  
17      *that this act contains costs mandated by the state, reimbursement*  
18      *to local agencies and school districts for those costs shall be*  
19      *made pursuant to Part 7 (commencing with Section 17500) of*  
20      *Division 4 of Title 2 of the Government Code.*

21      ~~SEC. 17.—~~

22      *SEC. 53. This act is an urgency statute necessary for the*  
23      *immediate preservation of the public peace, health, or safety*  
24      *within the meaning of Article IV of the Constitution and shall go*  
25      *into immediate effect. The facts constituting the necessity are:*

26      *In order to ensure that the educational programs affected by*  
27      *this act are properly implemented pursuant to the clarifying,*  
28      *technical, and other changes made by this act, it is necessary for*  
29      *this act to take effect immediately.*